Hewlett-Packard HK SAR Limited ("HP")

PARTNER DIRECT RESELLER PURCHASE AGREEMENT ("Terms" or "Agreement")

Purchases made under HP's Partner Direct program are subject to the following terms and conditions. Accordingly you, the party identified in the quotation issued by HP, ("Reseller") agree to the following Terms as a prerequisite to accepting HP's quotation and you accept that HP may enforce these Terms against you directly. Additional or inconsistent terms, including pre-printed terms on your orders, are not acceptable and are excluded. Do not issue an order under HP's Partner Direct program if you do not accept these Terms.

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1. HP RESELLER BUSINESS TERMS

Reseller agrees as follows:

1. DEFINITIONS

a. "Agreement" means the cover sheet, these HP Reseller Business Terms, any attached Program Terms, the applicable OPM and all the contracts information located in the HP Partner Portal that Reseller has access to under Reseller's profile.

b. "HP Partner Portal" means an HP web-site that contains information on Products, Services, HP list price , Warranty & Installation Information, HP Software License Terms, HP Support Services addendum and other information relevant to Reseller.

c. "Delivery" means standard HP shipping to and arrival at the receiving area at the "Ship To" address in the country where Reseller's order is placed, unless otherwise indicated on the quotation or approved by HP.

d. "Electronic Orders" refer to orders transmitted electronically to HP via any HP web-site that has been developed by HP for such purposes.

e. "Net Reseller Buy Price" for Products and/or Services purchased under this Agreement means the HP list price in effect at the time an order from Reseller is received by HP, less any applicable discounts.

f. "Products" means hardware, Software, documentation, accessories, supplies, parts & upgrades and services (including, without limitation, service packs, support packs and care packs) that HP authorizes Reseller to purchase or license under the Agreement and that are determined by HP to be available from HP upon receipt of Reseller's order. "Custom Products" means Products modified, designed or manufactured to meet Reseller or end-user customer requirements.

g. "Program Terms" means terms that are specific to functions the Reseller agrees to perform.

h. "Operations Policy Manual" (OPM) describes the specific Reseller relationship and obligations between HP, as a seller, and Reseller, as a buyer and reseller of HP Products and/or Services.

i. "Services" means Support and other services such as installation services, education, training, or other services.

j. "Software" means one or more programs capable of operating on a controller, processor or other hardware Product ("Device") and related documentation. Software is either a separate Product, included with another Product ("Bundled Software"), or fixed in a Device and not removable in normal operation ("Firmware").

k. "Specifications" means specific technical information about HP Products that are published in HP Product manuals and technical data sheets in effect on the date HP ships Reseller's order.

l. "Support" means hardware maintenance and repair; Software updates and maintenance; training; and other standard Support services provided by HP. "Custom Support" means any agreed non-standard Support, including consulting and custom project services.

m. "Record(s)" means Reseller's books, records and original documentation, related to the acquisition, sale, maintenance and disposition of all Products, Software and Support including, but not limited to those existing in electronic form, of Reseller and/or Customer purchases. Records shall include, at a minimum, Product number(s), description, quantities shipped or purchased, serial numbers, Customers' and/or supplier's name, address, phone number, date of sale or purchase, cost of purchase or sale price, and delivery address. Records shall also include distinct lists of all Products purchased directly from HP.

n. "Sell In" means all Products sold by HP to the Reseller and purchased by the Reseller from other non HP sources.

o. "Sell Through" means transactions of all Products between Reseller and its second tier resellers and/or Customers.

p. "FIFO" means a method of inventory accounting in which the oldest remaining items are assumed to have been the first sold ("first in, first out").

q. "Customer(s)" means the end-user who has submitted or is likely to submit a formal request to purchase Products or Services from or through Reseller. Customer(s) are not Reseller's corporate parent, any subsidiary of corporate parent, or any other entity effectively controlled by Reseller's corporate parent.

2. APPOINTMENT

a. HP appoints Reseller as an authorized, non-exclusive reseller for the purchase and resale of Products and/or Services. HP authorizes Reseller to purchase Products and/or Services that are determined by HP to be available from HP at the applicable discounts as quoted by HP, subject to the terms and conditions of this Agreement.

b. Reseller will sell Products and/or Services only to its end-user customers as specified in the HP quotation.

c. Reseller will conduct its business under this Agreement only in Hong Kong ("Territory") and, to the extent allowed by applicable law, importation into or exportation out of the Territory of Products is prohibited except when authorized by HP in writing. Reseller will not knowingly sell to any purchaser inside the Territory which intends to export Products. HP may instruct Reseller to halt shipments to any purchaser inside the Territory if HP can demonstrate this purchaser has directly or indirectly exported Products.

d. Where Reseller is authorized to resell to an end user per the Program Terms in this Agreement, Reseller can sell to a finance company/leasing company who is acting on the end user's behalf.

3. RELATIONSHIP

a. Reseller and HP are independent contractors for the purposes of this Agreement. This Agreement does not establish a franchise, joint venture or partnership, or create any relationship of employer and employee, master and servant, or principal and agent between the parties.

b. Neither party will have, nor represent that it has, any power, right, or authority to bind the other party, or to assume or create any obligation or responsibility, express or implied, on behalf of the other party without such other party's express written consent. Reseller acknowledges that any commitment made by Reseller to its customers with respect to price, quantities, delivery, specifications, warranties, modifications, interfacing capability or suitability will be Reseller's sole responsibility, and Reseller will indemnify HP from liability for any such commitment by Reseller.

c. The relationship between the parties is non-exclusive. Each party acknowledges that the other party reserves the right to market, advertise, promote and sell any product, including Products listed in the HP Partner Portal, in competition with the other party.

d. HP will not be deemed a party to any agreement between Reseller and any subsequent purchaser or licensee.

4. PRICES

a. Net Reseller Price includes shipping and handling charges, unless otherwise quoted by HP. HP will charge Reseller for any special packing or shipping instructions requested by Reseller and agreed to by HP.

b. Prices are exclusive of, and Reseller will pay, applicable sales, use, consumption, goods and services tax or taxation of a similar nature ("GST"), if any. If GST is payable in relation to any supply made by HP to Reseller then the price will be adjusted by adding an amount equal to the amount of GST to which the supply is subject and the amount of such GST can be recouped from Reseller at any time.

c. HP reserves the right to change prices and discounts at any time. If Reseller is unsure of the list price to use in calculating Net Reseller Price for any Product and/or Service, Reseller should contact its HP sales representative or relationship manager.

d. List prices are suggested prices for resale to end-user customers and a basis for calculating Net Reseller Price. Reseller has the right to determine its own resale prices, and no HP representative will require that any particular resale price be charged by Reseller or grant or withhold any benefits to Reseller based on Reseller's resale pricing policies.

e. Upon request from Reseller, HP may at its discretion grant special pricing to Reseller for particular end-user customer transactions ("Special Pricing"). Special Pricing may include, but is not limited to, an additional discount or rebate or a net reseller buy price below HP's standard price offered to Reseller for a specific end-user customer deal or transaction. In good faith HP may retract the Special Pricing at any time before acceptance by the end-user customer. HP may extend the Special Pricing on an exclusive or non-exclusive basis, and may condition the Special Pricing on a pass-through of all or part of the non-standard pricing offer extended by HP or on such other conditions as HP nominates. Without limiting the foregoing, and subject to different or additional terms stated by HP, the terms and conditions specified in the Special Pricing & Promotion Terms addendum ("Special Pricing & Promotion Terms") as a minimum also will apply to any Special Pricing offered by HP, and by taking up the Special Pricing Reseller is deemed to accept those Special Pricing & Promotion Terms. HP reserves the right to change the Special Pricing & Promotion Terms at any time without notice.

f. HP may, from time to time, offer Reseller certain Products and/or Services on special promotional terms and conditions. All such offerings may be subject to pricing or discounts different from those provided for in this Agreement. Such offerings may not apply towards Reseller's volume or other commitments, and may not be eligible for other standard benefits, including but not limited to promotional allowance funds, price protection or stock adjustments.

5. ORDERS AND DELIVERY

a. HP will honor written orders from Reseller unless other methods are agreed upon in writing. Reseller's orders must reference this Agreement and comply with the minimum order, release, destination ("Ship-To" address) and other requirements specified in this Agreement. Orders must also specify Delivery dates within periods specified in this Agreement.

b. Reseller is responsible for ensuring that only authorized employees place, change or delete orders and that the orders

conform to all requirements of this Agreement.

c. All orders are subject to acceptance by HP.

d. Delivery is subject to Product availability at the time Reseller's order is received. If Products are in short supply, HP will allocate them at HP's discretion. HP will make commercially reasonable efforts to meet Delivery dates quoted or acknowledged, but will not be liable for delays in meeting a scheduled Delivery date.

e. HP may schedule and re-schedule any Delivery and decline any order for credit reasons or because the order specifies an unreasonably large quantity or makes an unreasonable Delivery request. HP will have the sole discretion of what constitutes an unreasonably large quantity or unreasonable Delivery request.

f. HP will make reasonable efforts to meet Reseller's Delivery requirements. If HP is unable to meet Reseller's Delivery requirements, alternative arrangements may be agreed. In the absence of such separate agreement, the Order Cancellation Clause in this Agreement will apply.

6. ELECTRONIC ORDERS

a. All orders must contain all information required by the applicable HP Internet Site Order Format.

b. All orders must identify the sender and must include a means of verifying the authenticity of the order whether through the HP Internet Site Order Format itself, such as HP assigned passwords, or by some means provided by HP.

c. Higher levels of authentication to verify order senders and other order information may be used upon written agreement by the parties.

d. Reseller will secure any passwords or other means of authentication as provided by HP against loss or unauthorized use. Reseller must inform HP without delay of any loss or unauthorized use of such authentication means.

e. HP will make reasonable efforts to ensure all information regarding price, product information, and product configuration is accurate. Any typographical or other errors are subject to correction by HP and shall not bind HP. If such errors occur HP will provide notification and take appropriate corrective action.

f. No order shall be binding until HP confirms its acceptance with the order sender.

7. PRODUCT ACCESS & DISCOUNTS

a. This Agreement applies to Products, and discounts quoted by HP.

8. SHIPMENT, RISK OF LOSS AND TITLE

HP will ship according to HP's standard commercial practice, and risk of loss or damage will pass from HP to Reseller upon receipt at Ship To address. If special packing or shipping instructions are agreed, charges will be billed separately to Reseller and risk of loss or damage will pass to Reseller on delivery to Reseller's carrier. Title to hardware Products will pass from HP to Reseller upon full payment for or Delivery of the Products, whichever is later. Reseller agrees to properly insure the Products for the benefit of HP between the time risk of loss and damage pass and the time title passes.

9. PAYMENT

a. Subject to the credit assessment and approval by the HP Credit Department, Reseller will pay invoices within 30 days from the date of HP's invoice. Invoices for contractual support services and maintenance will be issued in advance of the Support period. HP reserves the right to specify payment in advance or change credit or payment terms at any time for credit reasons or when, in HP's opinion, Reseller's financial condition, previous payment record, or the nature of Reseller's relationship with HP so warrants.

b. If Reseller fails to pay any sum when due or fails to perform under this Agreement or any other agreement with HP after 10 days written notice, then HP may discontinue performance under this Agreement or any other agreement between HP and Reseller.

c. Any Reseller claim for adjustment of an invoice is deemed to be waived if Reseller fails to present such a claim, in a format approved by HP, within 60 days from the date of the invoice. No claims, credits, or offsets may be deducted by Reseller from any invoice.

d. Reseller will submit to HP every year (or more frequently upon HP's written request) a then current Balance Sheet and a Profit and Loss Statement signed by either a Director of Reseller or a reputable accounting firm as a true representation of the company's financial position. HP will use this information as a basis for setting Reseller's credit limits with HP.

e. HP may set off any amounts owing to HP against any amounts owing to Reseller under this Agreement or any other agreement between the parties, including those in the Reseller's rebate fund or any other HP accrued Reseller funds.

f. To the extent permitted by applicable law, for the avoidance of doubt, where the parties agree to use Electronic Data Interchange or some other electronic method of information exchange (such as HP's "eBill" facility) for sending invoices, no hardcopy invoice shall be required. Where a party is notified that an invoice is available via such an electronic information exchange method, that invoice will be deemed to have been provided to that party.

10. WARRANTY

Product warranty terms, conditions, exceptions, exclusions and disclaimers are contained in the Warranty and Installation Information addendum.

11. PRODUCT MODIFICATION

a. HP reserves the right to make changes in the design or specifications of Products.

b. Reseller is responsible for any modification it makes to Products or for any commitment made with respect to special interfacing, compatibility or suitability of Products for specific applications.

c. If HP believes such Product modifications may have an adverse effect on Product support, marketing and technical specifications, HP reserves the right to modify this Agreement.

d. Reseller will submit in writing to HP any proposed Product modifications which might affect either the performance, safety or radiated emissions certifications of the Product. In the event that HP believes such modifications may have an adverse effect, HP reserves the right to further modify this Agreement to clarify the rights and obligations of HP and Reseller with respect to Support, marketing and technical specifications.

12. SUPPORT

Reseller may be eligible to participate in HP Support programs. Obligations of Resellers who provide support are specified in the HP Support Services addendum.

13. SOFTWARE

Software license terms and distribution rights are contained in the HP Software License Terms addendum.

14. MICROSOFT LICENSE GRANT LIMITATION

The following terms apply if Reseller is or will be distributing pursuant to this Agreement HP computer systems pre-installed, bundled, or otherwise distributed with Microsoft operating system or application software ("HP Computer Systems"):

a. Reseller will deliver to its second tier reseller and/or end-user customer, as applicable, the Microsoft Certificate of Authenticity ("COA") and Associated Product Materials ("APM") together with each HP Computer System, in HP's packaging, and will not quote a separate price for the Microsoft operating system, the Microsoft application software or both. APM means material associated with the Microsoft operating system software or application software or both that accompanies the HP Computer System in HP's packaging, including without limitation the end user manual, recovery media, and external media.

b. Reseller agrees to obligate contractually its second tier reseller, if applicable, to deliver the Microsoft COA and APM together with each HP Computer System, in HP's packaging, and to not quote a separate price for the Microsoft operating system, the Microsoft application software, or both.

c. Reseller acknowledges and agrees that if Reseller does not comply with Clause 1.14.a and 1.14.b above, Microsoft may notify HP that it must discontinue distribution to Reseller of the HP Computer Systems. HP will discontinue distribution to Reseller promptly following receipt of such notice. Under no circumstances will HP's failure to deliver HP Computer Systems ordered by Reseller following receipt of such notice constitute a breach of this Agreement.

d. Reseller agrees to provide reasonable assistance to HP in any investigation of an incident where Reseller or any party within Reseller's distribution channels delivers the COA and APM separate from HP Computer Systems or quotes a separate price for the Microsoft operating system, the Microsoft application software, or both.

15. TRADEMARKS

a. From time to time, HP may authorize Reseller to display one or more designated HP trademarks, logo types, trade names and insignia ("HP Marks"). Reseller may display HP Marks solely to promote Products and/or Services. Any display of HP Marks must be in good taste, in a manner that preserves their value as HP Marks, and in accordance with standards provided by HP for their display. Reseller will not use any name or symbol in a way which may imply that Reseller is an agency or branch of HP; Reseller will discontinue any such use of a name or mark as requested by HP. Any rights or purported rights in any HP Marks acquired through Reseller's use belong solely to HP. Reseller will not attempt to register the HP Marks or any part thereof in any jurisdiction.

b. Reseller grants HP the non-exclusive, royalty free right to display Reseller's trademarks in advertising and promotional material solely for directing prospective purchasers of Products and/or Services to Reseller's selling locations. Any display of the trademarks must be in good taste, in a manner that preserves their value as Reseller's trademarks, and in accordance with standards provided by Reseller for their display. Any rights or purported rights in any Reseller trademarks acquired through HP's use belong solely to Reseller.

16. INTELLECTUAL PROPERTY PROTECTION

a. HP will defend or settle any claim against Reseller, (or end-user customer, or third parties to whom Reseller is authorized by HP to resell or sublicense), that Products and/or Services (excluding Custom Products and Custom Support), delivered under this Agreement infringe a patent, utility model, industrial design, copyright, trade secret, mask work or trademark in the country where Products are used, sold or receive Services, provided Reseller:

i. promptly notifies HP in writing; and

ii. cooperates with HP in, and grants HP sole control of the defence or settlement.

b. HP will pay infringement claim defence costs, settlement amounts and court-awarded damages. If such a claim appears likely, HP may modify the Product, procure any necessary license, or replace it. If HP determines that none of these alternatives is reasonably available, HP will refund Reseller's purchase price upon return of the Product if within one year of Delivery, or the Product's net book value thereafter.

c. HP has no obligation for any claim of infringement arising from:

i. HP's compliance with Reseller's, or Reseller's customer's, designs, specifications or instructions;

ii. HP's use of technical information or technology provided by Reseller;

iii. Product modifications by Reseller or a third party;

iv. Product use prohibited by Specifications or related application notes; or

v. Product use with products that are not HP branded.

d. To the extent permitted by law, these terms state HP's entire liability to Reseller and its customers for claims of intellectual property infringement.

17. CONFIDENTIALITY

a. For the purposes of this Agreement, "Information Assets/Systems" shall mean any and all confidential information, whether residing in HP's computers, networks, voicemail or otherwise, and any and all of HP's computers, networks, voicemail, hardware and devices. As used herein, the term "confidential information" will include, without limitation, all information designated by HP as confidential, all information or data concerning or related to HP's Products and Services including Products (including the discovery, invention, research, improvement, development, manufacture, or sales thereof), processes, or general business operations (including sales costs, profits, pricing methods, organization and employee lists), and any information obtained through access to any of HP's computers, networks, voice mail, hardware or devices which, if not otherwise described above, is of such nature that a reasonable person would believe it to be confidential or proprietary.

Other than in the performance of this Agreement, neither Reseller nor Reseller's agents, employees, or subcontractors will use, distribute, disseminate or disclose to any person or entity any confidential information of HP (whether in written, oral, electronic or other form) which is obtained from HP or otherwise prepared or discovered either in the performance of this Agreement, through access to HP's Information Assets/Systems, or while on HP premises.

Access to Information Assets/Systems, if any, is granted to Reseller solely to facilitate the business relationship described in this Agreement, and is limited to those specific Information Assets/Systems, time periods, and personnel designated by Reseller as are separately agreed to by HP and Reseller from time to time. Access is subject to business control and information protection policies, standards, and guidelines as may be provided by HP. Use of any other Information Assets/Systems are expressly prohibited. This prohibition applies even when an Information Asset/System which Reseller is authorized to access serves as a gateway to other Information Assets/Systems outside the scope of Reseller's authorization. Use of Information Assets/Systems during other time periods or by individuals not authorized by HP is expressly prohibited. Without limiting the foregoing, Reseller warrants that it has adequate security measures in place to comply with the above obligations and to insure that access granted hereunder will not impair the integrity and availability of HP Information Assets/Systems. Upon reasonable notice, HP may audit Reseller to verify Reseller's compliance with these obligations. Reseller, its agents, employees or subcontractors shall not remove any copyright, confidential, proprietary or other intellectual property notices attached to or included in any confidential information, and shall reproduce all such notices on any copies. All Information Assets/Systems shall remain the property of HP. Confidential information will be promptly returned to HP, and all copies thereof shall be destroyed, upon HP's request.

The obligations under this clause continue perpetually and survive the termination of this Agreement. The provisions of this clause relating to use and disclosure will not apply to any information that:

i. is rightfully known to Reseller prior to disclosure by HP;

ii. is rightfully obtained by Reseller from any third party who is not subject to an obligation of confidence;

iii. is or becomes available to the public without restrictions other than through the fault of the Reseller; or

iv. is disclosed by Reseller with the prior written approval of HP, but subject to the terms of that approval.

Reseller warrants and represents that each employee, agent or subcontractor who performs work under this Agreement has been informed of the obligations contained herein and has agreed to be bound by them.

b. In the event that confidential information is provided by Reseller to HP, HP will protect the confidential information of the other in the same manner in which it protects its own equivalent proprietary, confidential, and trade secret information, but in no event with less than reasonable care. If the party claiming the benefit of this provision furnishes such information in writing, then such writing must be marked as "Confidential", or if such information is provided orally, then the transmitting party ("Discloser") will confirm in writing to the receiving party ("Recipient") that it is confidential within 30 days of its communication. Such information will remain confidential for three (3) years after the date of written disclosure.

c. No advertising, promotional activities, display of products or public disclosure of any kind relating to new Products may take place before HP's public announcement of that Product.

18. LIMITATION OF LIABILITY AND REMEDIES

a. Products are not specifically designed, manufactured or intended for sale as parts, components or assemblies for the planning, construction, maintenance, or direct operation of a nuclear facility. Reseller is solely liable if Products and/or Service purchased by Reseller are used for these applications. Reseller will indemnify and hold HP harmless from all loss, damage, expense or liability in connection with such use.

The limitations in Clause 1.18.b, 1.18.c & 1.18.d shall apply to the extent permitted by law.

b. If HP is held legally liable to Reseller, HP's liability (whether in contract, tort including negligence, equity, and statute or otherwise) is limited to:

i. payments described in Clause 1.16.b above;

ii. damages for bodily injury;

iii. direct damages to tangible property up to a limit of U.S.$1,000,000;

iv. other direct damages for any claim based on a material breach of Support services, up to a maximum of 12 months of the related Support charges paid by Reseller during the period of material breach; and

v. other direct damages for any claim based on a material breach of any other terms of this Agreement up to a limit of U.S.$1,000,000 or the amount paid to HP for the associated Product and/or Service, whichever is less.

c. and notwithstanding Clause 1.18.b above, to the extent permitted by law, in no event will HP or its affiliates, subcontractors or suppliers be liable for any of the following:

i. actual loss or direct damage that is not listed in Clause 1.18.b above;

ii. damages for loss of data, or software restoration;

iii. damages relating to Reseller's procurement of substitute products and/or services (i.e., "cost of cover"); or

iv. downtime costs or lost profits, or any incidental, special or consequential damages (excluding payments described in Clause 1.16 above and damages for bodily injury).

d. TO THE EXTENT PERMITTED BY LAW, THE REMEDIES IN THIS AGREEMENT ARE RESELLER'S SOLE AND EXCLUSIVE REMEDIES.

19. RECORD-KEEPING & AUDIT

a. Unless otherwise prohibited by local law, for purposes such as Product safety notification, operational problem correction and contract compliance (including compliance with HP's marketing and sales programs), Reseller shall maintain Records for a period of no less than two (2) years from the date of sale or purchase of all Products.

b. In the event HP offers drop-ship services, Reseller shall provide the same information pertaining to the Customer as listed in this Clause 1.19.

c. At HP's discretion and upon reasonable notice to Reseller, HP and/or HP's designate shall be given prompt access during normal business hours, either on-site or through other means, including data in electronic form that can be analysed off site, including but not limited to electronic data extracts specified by HP, to Reseller's Records, inventory records and other books and records of account pertaining to Products and HP marketing or sales programs which are necessary, in HP's sole discretion, to verify and audit Reseller's compliance with this Agreement or the terms and conditions of HP's marketing or sales programs or Reseller's Product inventory, if applicable. If HP authorizes a representative to conduct an audit of Reseller's Records, such representative shall have the same powers and entitlements as HP, but shall further be entitled to inspect and make copies of Records that incorporate information that relates both to the Reseller's obligations under this Agreement and any other agreement, provided that such representative and Reseller shall, upon Reseller's request, enter into a confidentiality agreement. HP's designated representative will have access to Reseller's Records, including but not limited to, electronic data extract, in order to validate the completeness of the Records provided represent all of HP product and services. HP's designated representative shall be entitled to access to Reseller's systems for its standard audit validation procedures. If, at the time Reseller signs this Agreement, it requests HP to do so, HP shall use the nationally prominent accounting or investigative services company of HP's choice to conduct such audit. HP's right to audit under this Clause 1.19 survives the termination or expiration of this Agreement for one (1) year beyond the date of termination or expiration. HP's right to audit hereunder shall include HP's right to audit Reseller's Records for the period commencing two (2) years prior to the date of such audit.

d. If Reseller fails to comply with the record keeping and access requirements in Clause 119 .a. and c. above, or is found responsible for any program violations or breaches of this Agreement as a result of an audit, HP may terminate this Agreement and Reseller will be considered to be in breach of this Agreement subject to the following terms : In the event of any breach of this Agreement by Reseller, in addition to all other remedies available under this Agreement or in law or equity, HP may (1) terminate this Agreement; (2) require Reseller to refund or forfeit any discounts or program payments paid and/or accrued during the scope of the breach period; (3) impose monetary penalties for any breach; and/or (4) require Reseller to reimburse HP for all reasonable attorney fees associated with enforcing these provisions. If HP conducts an audit and Reseller is in compliance with all requirements of this Agreement and any applicable programs, all of HP's audit expenses will be the responsibility of HP. If HP conducts the audit and determines, in its sole discretion, that Reseller is not in compliance with this

Agreement and any applicable programs, Reseller agrees to pay all of HP's costs and fees, in connection with the audit.

e. HP may debit Reseller for all improperly claimed discounts, rebates, promotional allowances or other amounts determined as a result of HP's audit. The debit will occur within sixty (60) days of the audit being completed and the findings communicated to Reseller. HP will use the industry standard FIFO operating process to evaluate Reseller's claims, stock protection, and HP promotional offers. All verifications of claims will be based on FIFO, unless Reseller can satisfy HP that its current operating process is equal to FIFO. All verifications of stock protection will be based on shipping date. If Reseller is unable to assist HP in the reconciliation of Sell In and Sell Through and inventory reconciliation through additional information, then the anomalies identified in the audit or verification process will be the basis for repayment and HP may debit Reseller for such amounts.

f. In addition to any and all other remedies available to HP, HP may recover all costs incurred with compliance verification procedures from Reseller, or promotional funds, rebate funds, or other HP accrued funds due Reseller.

g. From time to time, HP may send to Reseller a list of serial numbers of designated Products. Reseller shall identify from which supplier it purchased each serial number, to which Customer each serial number was delivered, and if special pricing was offered on a pass-through basis, provide HP with a copy of the invoice, delivery confirmation and payment information supporting such sale. Reseller shall send the foregoing information to its HP account manager in writing within a period not to exceed fourteen (14) days from the date of HP's notice. HP may debit Reseller for all improperly claimed discounts, rebates, promotional allowances or other amounts determined as a result of HP's audit.

h. Reseller shall comply with additional record keeping and audit requirements contained in this Agreement and terms and conditions of any sales and marketing program.

i. Any and all information obtained by HP or HP's designated agent during an audit described in Clause 1.19 herein, shall be deemed confidential information as described in Clause 1.17 herein.

20. TRADE CONTROLS

a. Reseller acknowledges that this Agreement is subject to the export, import and other trade-related laws and regulations of the U.S. and other national governments and agrees to assume responsibility for complying with applicable laws and regulations including but not limited to laws and regulations governing transfer of products to users subject to the U.S. and other government sanctions, and for obtaining required export, re-export, in-country transfer, and import authorizations. Reseller assures it will not export, re-export, transfer within country, release or otherwise transfer by any means or method any restricted technical data and technical assistance, the direct product of such restricted technical data and technical assistance, or Software and the source code for such Software obtained by Reseller under this Agreement to certain controlled countries and to the nationals of such countries identified by the U.S. government, and other national governments if applicable, as parties and countries which are subject to certain trade control embargoes, sanctions, prohibitions and restrictions, to include all countries identified in country groups D:1, E:1 and E:2, as identified in Supplement No. 1 to Part 740 of the U.S. Export Administration Regulations (see http://www.access.gpo.gov/bis/ear/pdf/740spir.pdf) without having first obtained any required government authorization. This export control assurance shall survive the expiration or earlier termination of this Agreement.

b. Reseller agrees that it will not, without first obtaining or confirming the availability of any required prior U.S. government authorization, route or cause to be routed, any of HP's Products or cargo through a country that is subject to the in-transit country restrictions described in Part 736.2(b)(8) of the U.S. Export Administration Regulations.

c. Reseller further agrees that, in connection with the Products, services provided herein to or by HP pursuant to this Agreement, it will not knowingly contract with or otherwise do business with, any company, individual or organization that poses a threat of technology diversion, and/or is subject to trade sanctions, restrictions or controls imposed by the U.S. government or other national governments, the effect of which sanctions or controls would be to prohibit or constrain such contracts or business activities, absent the prior authorization of the U.S. government and/or national government. To that end, Reseller shall be fully responsible for "screening" the transactions of customers, sub-contractors, component suppliers, vendors and all other third parties who may assist or benefit from Reseller, and will exercise commercially reasonable care and due diligence to ensure such third parties are not knowingly:

i. Identified as, or engaged in, prohibited nuclear, missile, chemical or biological weapons of mass destruction end users or end uses, respectively (ref. U.S. Export Administration Regulations, Part 744, http://www.access.gpo.gov/bis/ear/pdf/744.pdf)

ii. Associated with circumstances and/or engaged in activities such as to suggest a "red flag" risk of illegal diversion (ref. U.S. Export Administration Regulations, Part 732, Supplement 3, http://www.access.gpo.gov/bis/ear/pdf/732.pdf).

iii. Requiring Reseller to accept prohibited boycott terms or conditions (ref. U.S. Export Administration Regulations, Part 760, http://www.access.gpo.gov/bis/ear/pdf/760.pdf).

iv. Located in a restricted or embargoed country (ref. Country Groups E1 and E2, U.S. Export Administration Regulations, Part 740, Supplement 1, http://www.access.gpo.gov/bis/ear/pdf/740spir.pdf).

v. Subject to the U.S.and other national government trade sanctions or controls, such as, but not limited to, those reflected in the U.S. Government lists of the identities of such parties promulgated in or as a:

1) Denied Persons List (ref. U.S. Export Administration Regulations, Part 736.b.4, http://www.bis.doc.gov/dpl/Default.shtm); The Entity List (ref. U.S. Export Administration Regulations, Part 744, Supplement No. 4, http://www.bis.doc.gov/Entities/Default.htm); and the Unverified List (ref. U.S. Export Administration Regulations, Part 732 , Supplement No. 3, http://www.bis.doc.gov/Enforcement/UnverifiedList/unverified_parties.html) (Bureau of Industry and Security, U.S. Department of Commerce)

2) Specially Designated Nationals and Blocked Parties List (ref. U.S. Export Administration Regulations, Part 764, Supplement No. 3, http://www.ustreas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf) (Office or Foreign Assets Control, U.S. Department of Treasury)

3) The List of Debarred Parties; United Nations Security Council Embargoed Persons and Entities (ref. 22 U.S. Code of Federal Regulations 126.7.a and 127.11.a, http://www.pmdtc.org/debar059.htm) (Directorate of Defense Trade Controls, U.S. Department of State)

4) Designated foreign terrorist organization (ref. http://www.state.gov/s/ct/list/) (Office of Coordinator for Counterterrorism, U.S. Department of State)

5) Parties engaged in prohibited proliferation activities (ref. http://www.state.gov/t/isn/c15231.htm) (Bureau of Nonproliferation, U.S. Department of State)

d. Unless prohibited by law, government direction or compulsory governmental process, Reseller agrees to provide notice to HP, in a commercially reasonable manner if not herein elsewhere stated with specificity, of trade compliance related communications received from and actions taken by U.S. and other national government export officials and/or customs authorities, as relate specifically to the Products and/or services provided herein by or to Reseller and to or by HP, such government communications and actions to include but not limited to Product or cargo detentions/seizures, subpoenas, record production requests and search warrants.

e. Reseller agrees to review and adhere to the Trade Requirements for Business Partners – Export Compliance terms. Trade Requirements for Business Partners – Export Compliance terms may be changed by HP at anytime. Changes will be effective 30 days from the date posted on the HP Partner Portal website. Reseller is to visit the HP Partner Portal website at least every 6 months for updates on Trade Requirements for Business Partners – Export Compliance terms.

f. HP may suspend performance if Reseller is in violation of any applicable laws or regulations.

21. POLICIES AND PROGRAMS

From time to time, HP may offer or change HP policies and promotional or other marketing programs, including but not limited to programs involving promotional allowances, product demonstration and development unit purchases, and Support. Participation in such programs will be subject to the then current terms and conditions of those programs.

22. GENERAL

a. Transactions may be conducted through Electronic Data Interchange ("EDI") or other electronic methods, as agreed.

b. HP will not be liable for performance delays or for non-performance, due to causes beyond its reasonable control.

c. Reseller will conduct all its activities relating to its business with HP in accordance with the highest standards of ethics and fairness as well as compliance with applicable law. HP may immediately terminate this Agreement if Reseller fails to do so.

d. Reseller who, with HP's written consent, exports, re-exports or imports Products, technology or technical data purchased hereunder, assumes responsibility for complying with applicable laws and regulations and for obtaining required export and import authorizations. HP may suspend performance i) if Reseller is in violation of any applicable laws or regulations and ii) to the extent necessary to assure compliance under U.S. or other applicable export or similar regulations.

e. Disputes arising in connection with this Agreement will be governed by the laws of the country and locality in which HP accepts the order, and the courts of that country will have exclusive jurisdiction, except that HP may, at its option, bring suit for collection in the country where Reseller is located.

f. If any term or provision herein is determined to be illegal or unenforceable, the validity or enforceability of the remainder of the terms or provisions herein will remain in full force and effect. The offending provision will be deemed amended by the parties so as to make it enforceable and to the extent possible, to have consequences which are substantially the same as what was intended by the parties.

g. Reseller will not register or use any internet domain name which contains HP's trademarks (e.g. "HP", "hp" or "Hewlett-Packard") in whole or in part or any other name which is confusingly similar thereto.

h. The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement or to transactions processed under this Agreement.

i. This Agreement constitutes the entire understanding between HP and Reseller, and supersedes any previous communications, representations or agreements between the parties, whether oral or written, regarding transactions hereunder. Reseller's additional or different terms and conditions will not apply. j. In the event of a conflict, the following order of precedence will apply: applicable information in the HP Partner Portal under Reseller's profile, OPM, Program Terms, HP Reseller Business Terms.

k. Reseller is obligated to provide HP with all requested documentation within the timeframes specified by HP. Requested documentation may include airway bills, export certifications, customs clearance documents, or any other documentation deemed necessary in the regular course of business. Reseller indemnifies HP for any financial costs or penalties which may be incurred as a result of the Reseller failing to provide the requested documentation within the specified timeframe.

l. HP advises Reseller that the United States Foreign Corrupt Practices Act ("FCPA"), prohibits the payment or giving of anything of value, either directly or indirectly, by a United States company, or any of its subsidiaries or affiliates, to an official of a foreign

government for the purpose of influencing an act or decision in his official capacity, or inducing him to use his influence with the foreign government, to assist the United States company, or any of its subsidiaries or affiliates, in obtaining or, retaining business for or with, or directing business to, any person. Reseller agrees that it will not take any action which would cause HP or any HP affiliate to be in violation of the FCPA and undertakes to duly notify HP if it becomes aware of any such violation and further undertakes to duly indemnify HP and any applicable HP affiliate and keep HP and any applicable HP affiliate well and sufficiently indemnified for any losses, damages, fines, penalties, whatsoever which HP or any such HP affiliate may suffer or incur arising out of or incidental to any such violation of the FCPA .

2. PARTNER DIRECT PROGRAM TERMS

A. CLASSIFICATION

1. A Partner Direct Reseller's primary function is the sale of HP branded Products (for the purposes of these Terms, "**Products**") to a list of pre determined end-user customers, as updated by HP from time to time ("**Eligible Customers**").
2. When acting in its capacity of Partner Direct Reseller, for the purpose of order entry, all orders must reference Agreement number AG280 ("**Partner Direct orders**").

B. PARTNER DIRECT RESELLER'S OBLIGATIONS

1. Partner Direct Reseller will sell Products, the subject of Partner Direct orders, only to Eligible Customers.
2. Partner Direct Reseller will attach Customer's purchase order to their Partner Direct Order for the purpose of end user validation.
3. Partner Direct Reseller will not source Products from a distributor, from its existing stock or any source other than HP to fulfill orders to Eligible Customers under this program.
4. Partner Direct orders will not be eligible for rebates.
5. Partner Direct orders will not be eligible for stock protection.
6. Partner Direct Reseller may not sell Products to other HP resellers for stock balancing purposes or for any other reason.
7. Partner Direct Reseller may not sell Products to resale outlets, brokers or any other entity not considered an Eligible Customer.
8. Partner Direct Reseller must promote, demonstrate and sell Products, and provide pre-sale and post-sale support for its Eligible Customers.
9. Partner Direct Reseller will maintain a facility in which Products are displayed or demonstrated on a regular basis to Eligible Customers.
10. No advertising, promotional activities, display of Products or public disclosure of any kind relating to a new Product may take place before public announcement of that Product.
11. Partner Direct Reseller will identify and keep current a primary and secondary support contact for both marketing communications and post-sales technical support.
12. Partner Direct Reseller will ensure that its employees complete any required training courses designated by HP.
13. Partner Direct Reseller must either participate in an HP-approved service plan or may refer Eligible Customers to the local HP Support Responsible Office. If Partner Direct Reseller chooses to provide warranty-repair service, Partner Direct Reseller must comply with HP programs for in-warranty repairs and post-warranty support.
14. HP may, at its discretion, require Partner Direct Reseller to qualify to perform in-warranty repairs for HP Products.
15. HP may, at its discretion, terminate these Partner Direct program Terms, upon notice to Partner Direct Reseller.

3. OPERATIONS POLICY MANUAL

The Operations Policy Manual (OPM) provides Reseller with operational guidelines and describes the specific Reseller relationship and obligations between HP, as a seller, and Reseller, as a buyer and reseller of HP Products and Support.

1. PRODUCT CATEGORISATION

Table 1

Product	Column A - Enterprise	Column B - Select	Column C - Open	Column D
Industry Standard Servers			Industry Standard Servers	
Business Critical Servers	HP9000; Superdome Servers; Alpha Servers	HP9000 rp8xxx, rp7xxx Servers		
StorageWorks Division - Disk Products	XP, EVA5000,MA/EMA	VA7XXX, DS2X00, EVA3000, NAS8000 & E7000	MSA1000, 43XXR/T, NAS S1000/B2000/B3000	
StorageWorks Division - Storage Software & Switches	OpenView Storage Area Manager, CASA, SecurePath, VersaStor greater than 32 port switches	DataProtector(except Single Server Edition) 32 port Switch	Data Protector(Single server edition), 8-16 port switch	
StorageWorks Division - Standalone Tape Products			All Standalone Tape Products	
StorageWorks Division - Automated Tape Products	ESL Libraries	MO Jukeboxes	MSL Tape Libraries, Tape Autoloaders, Single Tape/MO drives	
Software	All network, service and Telecommunications management software			
Storage Media				All Media Products
Procurve Network Products			All Procurve Network Products	
Personal Systems Products			All Desktop PCs, All Notebooks, Workstations, Handhelds, Wireless Products	
Imaging & Printing Products			All Printer and Imaging Products	All Printer Supplies
Services	The sale of these services follow the product categorisation for all Products.	The sale of these services follow the product categorisation for all Products.		
Services with the product	Installation, technical services, h/w support services, s/w support services, support packs/options/bundles	Installation, technical services, h/w support services, s/w support services, support packs/options/bundles	Installation, h/w support, s/w support, support packs, options, bundles, Global travel, Express	
Services beyond the product	Mission critical services, proactive services, deployment, technical services, Rapid Deploy, Enterprise Integration, security, Wireless & networking services, outsourcing	Mission critical services, proactive services, deployment, technical services, Rapid Deploy, Enterprise Integration, security, Wireless & networking services, outsourcing	License management, computing on demand, application support, architecture, assessment and design, recover-all, Microsoft solutions, printer managements, out/future sourcing	

(Note : Product classifications follow those communicated in Hewlett-Packard Reseller go-to-market presentations.)

2. DEFICIENT-ON-ARRIVAL

To the extent allowed by applicable law, the procedures provided below for defective products are the exclusive remedy to Reseller for any claim related to any dissatisfaction, defect or nonconformity in Products.

A Deficient on Arrival unit is any eligible HP Product (system or operation) that does not conform to the customer's order upon initial inspection or use within 14 days after the Product delivery for any of the following reasons:

Order Fulfillment Condition or Shipment Error :

· Unit is incomplete or missing items or components.
· Unit is misconfigured by HP.
· Unit received is not what was ordered.
· Unit arrives damaged.

Inoperable Condition (Dead On Arrival) :

· The unit is not operable at power-up or fails because of factory-configured hardware, software or firmware.

ORDER FULFILLMENT CONDITION OR SHIPMENT ERROR

i. HP will replace the unit / accessories if HP shipment has shipment errors.

ii. All shipment errors which are visible prior to opening the boxes, such as wrong product or over shipment must be reported to HP within 72 hours of delivery to Reseller. Proof of delivery is required.

iii. Damage refers to a consignment received in a non-salable condition. HP will not accept any claim for damage if the damage is not noted on the carrier consignment note at the time of delivery (unless it is concealed damage and reported within 72 hours).

iv. All shipment errors which are visible only upon opening the boxes such as missing accessories etc, must be reported within 90 days from the date of HP shipment to Reseller.

v. Resellers must submit their claim either by email or fax to HP Physical claims admin team or electronically using the e claim link via the HP Partner Portal.

INOPERABLE CONDITION OR DEAD ON ARRIVAL – not applicable for supplies (ink cartridges, toners and media)

Hardware Products in Column C of Table 1 - not covered under On-Site Warranty

a. Inoperable Condition: (DOA)

"First time power-up failure associated with hardware, software, or firmware"

b. Claim guidelines: Products in Column C of Table 1 - not covered under On-Site Warranty

<table>
<tr><td>Eligibility Criteria</td><td>v Less than 90 days from HP shipment date to Reseller
OR
v Less than 60 days from Reseller's invoice</td><td>v Greater than 90 days from HP shipment date to Reseller
OR
v Greater than 60 days from Reseller's invoice</td></tr>
<tr><td rowspan="2">Imaging and printing products</td><td>v Submit the DOA details to HP claim admin team (CFS) via website (as is notified by HP from time to time), faxing or email for credit or replacement.</td><td>v Submit the DOA details to HP claim admin team (CFS) via website (as is notified by HP from time to time), faxing or email for credit or replacement.
• Attach end-user customer receipt as proof
or
• Attach authorization from HP Support</td></tr>
<tr><td colspan="2">Reseller can lodge claims in relation to any Imaging and printing product where the claim is made within 90 days of the HP shipment date to Reseller or within 60 days of the date of the Reseller's invoice, or where the claim is accompanied with the end user's proof of purchase. However, where claims are made outside these guidelines, Reseller needs to get HP Support authorization before lodging the claims.</td></tr>
<tr><td>Personal system group products</td><td colspan="2">v Submit the DOA details to HP claim admin team via website (as is notified by HP from time to time), faxing or email for replacement or credit
• Attach authorization from HP Support</td></tr>
</table>

	Reseller must obtain prior HP Support authorization before lodging a claim in relation to any Personal system group product, and before replacing any dead on arrival Personal system group product. This requirement also applies to failures observed upon opening the box at the Reseller's premises.
All claims need to be submitted and the defective returns need to be returned within two weeks from the date of claim submission.	

Hardware Products in Column A, B & C of Table 1, covered under on-site warranty

Products which are covered by on-site warranty shall follow on-site warranty procedures and will require:

a. a formal declaration of being defective on installation and

b. must be reported within 14 days of purchase and

c. a recommendation by HP or authorized service provider.

Upon receipt of authorization, Reseller will provide a replacement unit and send the defective unit to HP. HP will issue a replacement or credit based on HP Service's authorization.

HARDWARE – DOA Return guidelines / Process – Products in Column A, B & C of Table 1

i. Based on the above mentioned criteria, Reseller will replace the DOA units to customers.

ii. Resellers must submit their claim either by email or fax to HP Physical claims admin team or electronically using the e claim link via the HP Partner Portal.

iii. Unless HP gives other instructions, defective Products should be returned to HP freight collect. Reseller must notify HP and must obtain a Notice of Return (NOR) number prior to return. If a NOR number does not appear on the outside of all boxes returned to HP, the shipment shall be returned to Reseller at Reseller's expense.

iv. HP may inspect returned Products to verify that they are eligible for repair or replacement. Such eligibility shall be based solely on whether the Products are in fact defective and whether the claim is timely. HP's approval shall not be unreasonably withheld.

v. All claims and defective units are returned within two weeks of reporting by customers

vi. Products returned to Reseller as defective by end-user customers (that are received after HP's general notice of obsolescence) more than 90 days after HP's general notice of obsolescence may not be returned to HP for credit or replacement. HP's established warranty process must be utilized by end-user customers.

vii. HP will not repair, replace or provide credit for Products under warranty that have been damaged by abuse or misuse including improper storage, or where repair has been attempted by an unauthorized service center. Reseller will reimburse HP for freight for these Products. Reseller will also reimburse HP for freight and any government levied duties that become applicable for Products for which defects were not found.

WARRANTY REPLACEMENT - Products in Column D of Table 1

i. Toners are warranted to perform free from defects in material and workmanship. This warranty does not apply to products that (a) have been refilled, refurbished, remanufactured or tampered with in any way, (b) experience problems resulting from misuse, improper storage, or operation outside of the published environmental specifications for the printer product or (c) exhibit wear from ordinary use.

ii. Ink Cartridges are warranted to perform to specifications until the date marked on the physical product expires and the minimum prescribed weight as defined by HP is met.

iii. The Date printed on the ink cartridges is the warranty date. The date printed on the box is the Install By Date.

iv. The Warranty Date will be a minimum of six months greater than the Install By Date.

v. HP will ensure that the ink cartridges will be shipped to the Reseller a minimum of six months before the Install By Date.

vi. Warranty replacements to end-user customers will be done by HP Authorized Replacement Centers. The details of HP Authorized Replacement Centers will be available from HP Services and Sales teams.

vii. Authorized Replacement Center will provide warranty replacements for all the defective supplies under the following terms and conditions:

1. It must be a genuine HP product.

2. It must not be abused, refilled, improperly stored or tampered with in any way.

3. It must not be depleted or emptied or full weight (unused).

4. For ink cartridges: expiration date must still be in the future.

5. Defect must be validated.

6. It must be within warranty period.

3. PRICE PROTECTION – Price Increase Protection

a. PRODUCTS IN COLUMN A AND B OF TABLE 1

i. HP Reserves the right to change list prices upon reasonable notice to Reseller. If HP raises the list price of any Product, HP shall invoice based on the previous lower price for orders placed by Reseller within 30 days from the date of the increase.

ii. Reseller's change orders that extend delivery beyond 90 days from their original order date become new orders at prices in effect when HP receives the change orders.

b. PRODUCTS IN COLUMN C OF TABLE 1

i. If price and/or discount changes result in higher net purchase price to Reseller, the higher net purchase price is effective immediately from the date of the change.

ii. Reseller's open orders will be shipped at the old, lower price up to a limit of twice the Reseller's weekly run rate. The weekly run rate is calculated as one-thirteenth of HP's aggregate shipment to the Reseller during the last three complete calendar months preceding the date of the price change. Reseller agrees to accept all such shipments immediately according to HP's Product availability. If Reseller's open orders on the date of the price change exceed the limit defined above, Reseller may choose to cancel the orders above the limit or accept the higher net purchase price for them.

c. PRODUCTS IN COLUMN D OF TABLE 1

i. HP may announce price and/or discount changes for any Product at any time.

ii. If price and/or discount changes result in higher net purchase prices to Reseller, HP will grant price protection in accordance with the following rules:

1. The quantity limit per Product is calculated as:

220% of HP's monthly average shipments to Reseller during the 6 complete calendar months preceding the month before the date of the price change* minus the shipments during the month before the price increase.

* This means that the month before the price increase is excluded from the 6-month calculation.

The quantities will be rounded off as follows: all fractions below 1 will be rounded up to 1. For fractions higher than 1 usual rounding rules will apply. Products cannot be mixed or exchanged.

2. Reseller agrees to accept all such shipments immediately according to HP's product availability.

3. The price protection period covers two months: the month before the price increase and the month of the price increase.

4. HP will ship open and new orders at the old, lower price limited by the quantity figure calculated in Clause 3.3.c.ii.1. Open and new orders that exceed the limit will be re-priced at the higher price.

4. REBATES

Reseller may qualify to participate in HP's rebate programs; Reseller's participation in any such program will be subject to that program's terms and conditions. Without limiting the foregoing, and subject to different or additional terms stated by HP, the terms and conditions posted on the HP Partner Portal under the Reseller's profile from time to time ("Special Pricing & Promotion Terms") as a minimum also will apply to any rebate program offered by HP, and by participating in the rebate program Reseller is deemed to accept those Special Pricing & Promotion Terms. HP reserves the right to change the Special Pricing & Promotion Terms at any time without notice. Rebate program administration and rebate payment amounts will be determined by HP. The programs' criteria will be reviewed on a half yearly basis and may be changed or updated at HP's discretion. HP reserves the right to terminate the rebate programs at any time without notice.

5. ORDERS AND DELIVERY

a. Purchase orders shall specify:

i. the Net Reseller Price

ii. shipping instructions

iii. requested delivery date within 90 days from the order date for Products in Column A and B of Table 1 and within 30 days from order date for Products in Column C and D of Table 1.

iv. ship-to location

v. invoice location

vi. quantity and Product number(s)

b. Unless otherwise specified or exempted in writing by HP, the purchase order must be in accordance with the minimum order

release and ship-to requirements specified below.

For Products in Column A and B of Table 1:

- Minimum hardware order = US$5,000

- Minimum hardware release and ship-to = US$1,000

- Minimum accessory order = US $500

For Products in Column C of Table 1:

Minimum order per shipment to any Reseller location is US$5,000 for hardware including accessories and/or supplies.

Low end Deskjets are subject to additional Minimum Order Quantities (MOQs) specified by HP. Quantities placed below the MOQs will not be eligible for discounts. HP will reserve the right to change these MOQs, or impose MOQs on additional products ordered.

For Products in Column D of Table 1:

Specific Supplies products are subject to additional Minimum Order Quantities (MOQs) specified by HP. Quantities placed below the MOQs will not be eligible for discounts. HP will reserve the right to change these MOQs, or impose MOQs on additional products ordered.

c. HP shall ship Products to Reseller at the Reseller's designated location. Direct shipments to Reseller's end-user customers shall only be allowed on a case-by-case basis as determined by HP and shall be considered "shipped under Reseller's shipping instructions" and Clause 1.8 shall apply.

d. Reseller may cancel orders for a shipment of Products under Column A and B of Table 1 or request changes in a scheduled shipment date at no charge up to 10 working days before scheduled shipment. Unless otherwise agreed by HP, any later cancellation or change (Prior to Delivery) will be subject to a charge of 5% of the shipment's list price value, or all charges incurred for returning Products to HP's shipping location if Product orders are cancelled after shipment, whichever is higher.

e. HP reserves the right to refuse order cancellation or change in scheduled shipment for Products in Column C and D of Table 1 or Custom Products, unless agreed to in writing by HP. Any agreed cancellation or change (prior to Delivery) may be subject to a charge which in the case of such standard Products would be 5% of the cancelled or changed Products' list price value or all charges incurred for returning such standard Products to HP's shipping location if Product orders are cancelled after shipment, whichever is higher. In the case of Custom Products, the charge may be higher.

6. INSTALLATION AND ACCEPTANCE

a. Product installation information is available with Products, on quotations or upon request. Installation by HP, when included in the purchase price, is complete when the Product passes HP's installation and test procedures.

b. For Products with installation included in the purchase price, acceptance by Reseller occurs upon completion of installation by HP. For Products without installation included in the purchase price, acceptance by Reseller occurs upon Delivery, and will be presumed unless Reseller demonstrates within 14 days after Delivery that the Product does not pass HP's established test procedures or programs.

c. If Reseller schedules or delays installation by HP more than 30 days after Delivery, Reseller's acceptance of the Product(s) will occur on the 31st day after Delivery.

Addendums:

WARRANTY AND INSTALLATION INFORMATION ADDENDUM

1. HP WARRANTY AND INSTALLATION INFORMATION

A. DEFINITIONS

1. "Delivery" means standard HP shipping to and arrival at the receiving area at the "Ship To" address specified in Customer's order.
2. "Products" means hardware, Software, documentation, accessories, supplies, parts and upgrades that are determined by HP to be available from HP upon receipt of Customer's order. "Custom Products" means Products modified, designed or manufactured to meet Customer requirements.
3. "Software" means one or more programs capable of operating on a controller, processor or other hardware Product ("Device") and related documentation. Software is either a separate Product, included with another Product ("Bundled Software"), or fixed in a Device and not removable in normal operation ("Firmware").
4. "Specifications" means specific technical information about HP Products which is published in HP Product manuals and technical data sheets in effect on the date HP ships Customer's order.

B. WARRANTY STATEMENT

1. Product warranty period is defined by the warranty code appearing on quotations, as described in the "Warranty and Installation Information Table" below or is available upon request.
2. Products purchased from HP will receive the standard warranty in the country of purchase. If Customer moves such Products to another country where HP has Support presence, then Customer will receive the destination country standard warranty.
3. Customer may receive a different warranty when the Product is purchased as part of a system. HP reserves the right to change the warranty. Such changes will affect only new orders.
4. For Products purchased from HP and sold by HP directly to the end user Customer the warranty period begins on the date of Delivery, or the date of installation if installed by HP. If Customer schedules or delays installation by HP more than thirty (30) days after Delivery, the warranty period begins on the thirty-first (31st) day after Delivery.
5. If Customer is an HP authorized Dealer, Retailer, or single tier Distributor, the warranty period for the end user customer begins on the date that is stored by the HP Product when it is initially operated or, if not available, the date that the end user customer purchases the product from the Dealer, Retailer or single tier Distributor.
6. If Customer is an HP authorized VAR, OEM or Systems Integrator and HP Products are purchased for such purpose, the Customer may inspect and test the Product. If the Product is found defective prior to shipment by Customer to their end user customer, the Product will qualify to receive HP's standard warranty service associated with the Product. The warranty period for their end user customer begins no later than ninety (90) days from the date the Product is shipped by HP to the VAR, OEM or Systems Integrator.
7. If Customer is an HP authorized Wholesaler or two tier Distributor, the Customer and/or its authorized reseller(s) may inspect and test the Product. If the Product is found defective prior to shipment by Customer to their end user customer, the Product will qualify to receive HP's standard warranty service associated with the Product. The warranty period for their end user customer begins no later than 180 days from the date the Product is shipped by HP to the Wholesaler or two tier Distributor.
8. Customer as described in Sub-Sections 1.B.6 and 1.B.7 above may offer either their own solution warranty to their end user customer(s) or the HP warranty from the country of original purchase with warranty terms and conditions which obligate HP to no greater than the following:
   a. Warranty duration and coverage for defective Products no greater than that provided in Section HP WARRANTY AND INSTALLATION INFORMATION and in any associated Product Exhibit;
   b. Warranty exclusions and disclaimers, and limitation of remedies and liability no less favorable to HP than those set forth in Section HP WARRANTY AND INSTALLATION INFORMATION, and in any associated Product Exhibit.
9. Customer as described in Sub-Sections 1.B.6 and 1.B.7 above may offer more extensive warranty coverage, including its own additional system or solution warranties, only to the extent that Customer or their HP authorized reseller remains solely responsible at its own cost for performing associated warranty obligations. Customer or their HP authorized reseller will indemnify and hold HP harmless against any claims, losses or damages arising from breach of the terms of this Sub-Section 1.B.9 and Sub-Section 1.B.8 above.
10. If the end user Customer transfers a Product to another user, warranty service is available to that user for the remainder of the warranty period.
11. HP warrants HP hardware Products against defects in materials and workmanship. HP further warrants that HP hardware Products conform to Specifications.
12. HP warrants that Software will not fail to execute its programming instructions due to defects in materials and workmanship when properly installed and used on the Device designated by HP. HP further warrants that HP owned standard Software will substantially conform to Specifications. HP does not warrant that Software will operate in hardware and software combinations selected by Customer, or meet requirements specified by Customer.
13. HP does not warrant that the operation of Products will be uninterrupted or error free.

14. If HP receives notice of defects or non-conformance to hardware Specifications, or substantial non-conformance to HP owned standard Software Specifications during the warranty period, HP will, at its option, repair or replace the affected Products. If HP is unable, within a reasonable time, to repair, replace or correct a defect or non-conformance in a Product to a condition as warranted, Customer will be entitled to a refund of the purchase price upon prompt return of the Product to HP. Customer will pay expenses for return of such Products to HP. HP will pay expenses for shipment of repaired or replacement Products.

15. HP warrants that HP Support will be provided in a professional and workmanlike manner. HP will replace, at no charge, parts which are defective and returned to HP within ninety (90) days of delivery.

16. Some newly manufactured HP Products may contain and warranty service may use remanufactured parts, which are equivalent to new in performance.

17. The above warranties do not apply to defects resulting from improper or inadequate maintenance by Customer; Customer or third party supplied software, interfacing or supplies; unauthorized modification; improper use or operation outside of the Specifications for the Product; abuse, negligence, accident, loss or damage in transit; improper site preparation; or unauthorized maintenance or repair.

18. THE ABOVE WARRANTIES ARE EXCLUSIVE AND NO OTHER WARRANTY, WHETHER WRITTEN OR ORAL, IS EXPRESSED OR IMPLIED. TO THE EXTENT PERMITTED BY LAW, HP SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NONINFRINGEMENT

C. PLACE OF PERFORMANCE

1. Within HP service travel areas, Products sold with On Site warranty coverage will be repaired by HP or HP's Authorized Service Provider at the Customer's facility at no charge. Outside HP service travel areas (see Sub-Section 1.F), warranty services will be performed at the Customer's facility only upon HP's prior agreement; Customer will pay HP's travel expenses and other applicable expenses for such services. Products with On Site warranty will receive warranty services outside the country of initial purchase. Service outside the country of initial purchase is subject to the local HP service travel areas and the conditions regarding initial installation site in Sub-Section 1.C.3 below.

2. Within HP service travel areas, Products sold with installation coverage will be installed by HP or HP's Authorized Service Provider at the Customer's facility at no charge. Outside HP service travel areas (see Sub-Section 1.F), installation services will be performed at the Customer's facility only upon HP's prior agreement; Customer will pay HP's travel expenses and other applicable expenses for such services.

3. Products sold with On Site warranty and installation coverage will receive warranty services only at the initial installation site. If Products eligible for On Site warranty and installation services are moved from the initial installation site, warranty services will be provided only if the Customer purchases additional inspection or installation services at the new site.

4. Products sold with return to HP warranty may be returned to HP's designated service center. Customer will pay expenses for return of such Products to HP. HP will pay expenses for shipment of repaired or replacement Products to Customer.

D. LIMITATION OF LIABILITY AND REMEDIES

1. To the extent HP is held legally liable to Customer, HP's liability is limited to:

   a. damages for bodily injury;

   b. direct damages to tangible property up to a limit of U.S.$1,000,000.

2. Notwithstanding Sub-Section 1.D.1 above, in no event will HP or its affiliates, subcontractors or suppliers be liable for any of the following:

   a. actual loss or direct damage that is not listed in Sub-Section 1.D.1 above;

   b. damages for loss of data, or software restoration;

   c. damages relating to Customer's procurement of substitute products or services (i.e., "cost of cover"); or

   d. incidental, special or consequential damages (including downtime costs or lost profits).

3. THE REMEDIES IN THIS SECTION AND THE HP TERMS AND CONDITIONS OF SALE AND SERVICE SECTION ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES.

E. WARRANTY AND INSTALLATION CLASSIFICATIONS

Products receive warranty and installation services as defined in the Warranty and Installation Information Table in the attached MS Word file. Peripherals, accessories and interfaces receive the same services as the systems to which they are connected when:

   a. the Products are purchased with the system on a coordinated delivery and are included in the system configuration; or,

   b. the Products are purchased as add-ons to an existing system covered by a HP service agreement which is extended to include the add-on Products.

F. RESPONSE TIMES

Response times for on site warranty repair services are specified in the Response Time Table below.

RESPONSE TIME TABLE

Zone Number	1-3	4-5	6	Other
Distance (Miles/Km)	0-100 / 0-160	101-200 / 161-320	201-300 / 321-480	
Classification Codes 1J, 1K, 1V, 1W, 1X, 26, 2A, 2B, 2C, 2G, 39, 4S, 5L, 5M, 5N, 5R, 5V, 8W, 9B, 9C, 9K, 65, 66, 76 & 98	Within 4 Coverage Hours	Within 8 Coverage Hours	Within 12 Coverage Hours	Quote
Classification Code 7Y	Within 8 Coverage Hours	Within 16 Coverage Hours	Within 24 Coverage Hours	Quote
Classification Codes 4W, 6J & 9T	Within the Same Coverage Day	Within the Next Coverage Day	Within 2 Coverage Days	Quote
Classification Codes 06, 07, 13, 14, 1Y, 1Z, 23, 24, 25, 2D, 2E, 2F, 2H, 2M, 2Q, 32, 37, 3S, 3T, 40, 48, 4G, 4K, 4L, 4M, 4Q, 4T, 5A, 5B, 5C, 5W, 6A, 6C, 6D, 6K, 6N, 6Q, 6R, 6Y, 7C, 7D, 7G, 7K, 7N, 7P, 7Q, 7T, 80, 83,	Within the Next Coverage Day	Within 2 Coverage Days	Within 3 Coverage Days	Quote
Classification Codes - Continued 8A, 8E, 8F, 8M, 8N, 8P, 8T, 8V, 9F, 9G, 9T, 54, 61, 62, 67, 70, 77 & 78	Within the Next Coverage Day - Continued	Within 2 Coverage Days	Within 3 Coverage Days	Quote
Classification Codes 08, 09, 10, 1T, 28, 31, 33, 34, 38, 42, 4N, 9H, 53, 55, 56, 57, 72, 84, 90 & 95	Within 2 Coverage Days	Within 2 Coverage Days	Within 2 Coverage Days	Quote
Classification Codes 1R, 2J, 3E, 3W, 5D, 5G, 5H, 5J, 5K, 5S, 5T, 5U, 6V, 7U, 7V, 7W & 96	Within 3 Coverage Days	Within 3 Coverage Days	Within 3 Coverage Days	Quote

G. INSTALLATION SERVICES

1. SITE PREPARATION

When this service is included in the purchase price of a Product, a representative of HP will contact the Customer upon receipt of Customer's purchase order to discuss site preparation requirements. This may be accomplished either during an on site visit or by telephone, and will encompass technical site planning, preparation and installation requirements relevant to Customer's system. Customer will also receive documentation or information characterizing the physical, electrical and environmental requirements applicable to Customer's system, as well as any other requirements obtained in the appropriate HP "Site Preparation Manual" (when available) for the system.

2. SITE SURVEY

All installation sites must be approved by HP. Prior to the scheduled delivery of Customer's system, an HP representative will verify that the site has been prepared in conformance with the applicable "Site Preparation Manual" (when available) and meets all electrical and environmental requirements contained in that manual. This verification may occur either on site or by telephone.

3. PURCHASE OF INSTALLATION SERVICES

Standard installation services are included in the price of some system Products. These services may also be obtained from HP for Products or systems which do not include these services in the purchase price of the Product for additional cost which will be specially quoted.

4. INSTALLATION OF SYSTEMS AND SELECTED COMPONENTS

When installation is included in the purchase price of a Product:

a. HP will install Customer's system(s) at a mutually agreed time following notification by Customer that all Products of the coordinated shipment have been delivered to the site and that the site conforms to HP's requirements. Installations will be performed during HP's normal business hours. Installations performed outside of business hours at Customer's request may be subject to additional charges.

b. HP systems, including all accessories, interfaces, peripherals and terminals ordered with a system on a coordinated delivery and included in HP's configuration guide and located at the system site, will be installed by HP at no additional charge.

5. SOFTWARE INSTALLATION

Standard Software installation services consist of loading the operating system and utilities included in the operating system Software on the system and executing applicable verification tests. Software that is Customer installable will be noted in the applicable data sheet.

6. INSTALLATION RESPONSIBILITIES

a. During system installation, HP will perform the following tasks:

i. supervise uncrating, positioning and racking of the Products;

ii. inventory the shipment against the packing list (s);

iii. physically interconnect the Products;

iv. check the primary power line voltage;

v. connect line power to Products shipped with power cable and connector; (see Note 1.G.6.c.i)

vi. install operating system and utilities

vii. execute turn-on procedures;

viii. perform electronic and mechanical adjustments;

ix. perform any repairs which may be required to make the Products operational; (see Note 1.G.6.c.ii)

x. execute standard HP diagnostic or verification programs and tests;

xi. instruct operator on daily care and proper use of Products.

b. During system installation, Customer will perform the following tasks:

i. receive, uncrate, rack or move the Products and dispose of the packaging materials;

ii. rerack or relocate the Products;

iii. reconfigure or regenerate Software systems;

iv. connect line power to Products delivered without power cable and connector; (see Note 1.G.6.c.i)

v. may install products not supplied by HP;

vi. fabricate or pull cables;

vii. ensure that site, cable runs and power outlets conform to all local fire and electrical codes;

viii. attach wall and ceiling mounts to building structure;

ix. reconfigure hardware systems, including recabling or relocation of existing products.

All of the above Customer tasks, except 1.G.6.b.iv, and 1.G.6.b.viii, may be performed by HP for an additional charge and are subject to availability of resources.

c. NOTES:

i. Due to variations in local electrical codes, many Products are shipped without power cables and connectors. These Products must be connected to power by Customer's electrical contractor who is familiar with local regulations.

ii. Repairs made on Products covered by HP warranty will be accomplished at no additional charge. Shipment damage related to a Customer initiated relocation or shipment is not covered under warranty. For Products or damage not covered by HP warranty, repairs will be made at Customer's expense.

HP SUPPORT SERVICES ADDENDUM

1. HP SUPPORT SERVICES

The HP Upfront Services and HP System Support as defined below (collectively, "Support Services") are governed by this Section and the Sections, HP TERMS AND CONDITIONS OF SALE AND SERVICE or the HP BUSINESS TERMS.

A. DEFINITIONS AND SERVICES INCLUDED

1. "HP System Support Upfront Services", "HP System Support Options", "HP Care Pack", or simply "HP Upfront Services" refers to HP's offerings for hardware, software, network, SAN (Storage Area Network), and Mission Critical support. HP Upfront Services are available for purchase by the Customer either at the time of Product purchase, or prior to installation of such Products for which HP Upfront Services are being purchased.

2. "HP System Support Services", "Compaq Services" or simply "HP System Support" refers to HP's offerings for hardware, software, network, SAN (Storage Area Network), and Mission Critical support. HP System Support is available on a contractual basis either for a fixed period or on an open-ended ("evergreen") basis (note that these are not part of HP's Upfront Services offering, as defined above.) HP System Support Services are also referred to as "contractual support".

3. Certain features of HP Upfront Services and HP System Support Services are optional and may be purchased upon request by Customer. Standard and optional features for HP System Support Upfront Services and HP System Support Service, covering HP and specified non-HP systems, are described in the applicable Technical Data sheet and/or Service Description and will be provided pursuant to the specifications set out therein. Such Technical Data sheets and/or Service Descriptions become an integral part of this Section.

4. "Support Services" will mean the collective service offering described in Sub-Sections 1.A.1 and 1.A.2 above.

B. PREREQUISITES

HP, in its reasonable opinion, will make a determination regarding whether Customer adequately meets the prerequisites for Support Services as outlined in this Section.

1. Uniform Coverage. Unless otherwise agreed by HP, all hardware and software products that constitute the minimum system configuration (a collection of hardware and software that is designated to operate as a functional unit), along with all other such hardware and software products that may be included or attached to such system configuration, must be covered at the same Support Services coverage level. Similarly, the duration period must be the same for all hardware and software products in a particular system for which Support Services is purchased. (i.e., must be coterminous).

2. Connectors and Cables. All products covered under Support Services must be interconnected by cables or connectors listed in the appropriate manufacturer's documentation as compatible with the system. For products that do not meet this requirement, service is available at the applicable standard service rates for such products.

3. Software Support. All HP systems for which execution of diagnostic tests is software-dependent must, at a minimum, be covered by Support Services that provide periodic software updates.

4. Right to Copy Documentation. Customer may copy documentation updates for use with other systems covered by the Support Service that provides software support.

5. Software Licenses. Customer can purchase Support Services only for HP software for which Customer has rightfully acquired an appropriate HP software license pursuant to licensing terms in the Sections, HP TERMS AND CONDITIONS OF SALE AND SERVICE or the HP BUSINESS TERMS.

6. Designated Callers and Training Requirements. All Response Center callers must be generally knowledgeable and trained in system administration, system management, and if applicable, network administration/network management in order to be an authorized caller. HP has the right to review and discuss an authorized caller's prior training and/or experience to determine initial eligibility. In addition, if issues should arise during Response Center interaction that, in HP's reasonable opinion, may be a result of such caller's lack of general experience and/or training, HP reserves the right to request replacement of such caller. Access to HP's Response Center is limited to: Customer system manager(s) for the operating system and subsystem software, if applicable, the network operator for the network, and for Support Services that include SAN coverage; after normal business hours authorized caller; including storage network operator and alternate; if applicable, application software manager and alternate; and if applicable, additional HP Response Center callers, which may be subject to an additional charge. In the absence of any of these managers, the HP Response Center is available for their designated alternates. In the event of a change to the designated caller(s), Customer will inform HP of such replacement within a reasonable time. All Response Center callers must have the proper system identifier, such as the system handle or system serial number, when initiating a call to the Response Center.

7. Remote Support. For HP to provide remote support, Customer must give authorization and provide access to a remote support connection, either internet based or qualified modem, as well as access to one voice-grade telephone line and one data-quality telephone line or network with terminations, or equivalent, near the system. For storage devices using Continuous Track or Instant Support Enterprise Edition, a data quality phone line must be provided for "phone-home" diagnostic technology capability. For some service levels, Customer must allow HP to install and provide HP adequate space for and access to HP-provided equipment, as well as provide connectivity as specified in the applicable Technical Data sheet and/or Service Description for the Support Service.

8. HP IT Resource Center. HP IT Resource Center is available via the worldwide web for certain Support Services. With a Web browser, Customer can access the specified areas of the HP IT Resource Center. FTP access is required for some electronic services. Designated callers who submit HP Response Center calls via the HP IT Resource Center must meet the same training requirements set forth in Sub-Sections 1.B.6 above. Use of HP support tools available via the HP IT Resource Center requires agreement to the HP Support Tool License Terms.

9. Country Boundaries. All systems supported by one Customer system manager must be located within the same country.

10. Eligibility. To be eligible for certain coverage levels and Support Services offerings, Customer may be required to meet a minimum monthly billing amount specified by HP.

11. Central Order Group (selected products ONLY). This provision only applies to Customers who have purchased certain Support Services in regards to the designation of the Central Order Group by HP. The Central Order Group is defined as the particular system within a grouping of systems in a Customer's environment that has the fastest processor speed and largest number of users. The Central Order Group must have only one Customer system manager. Unless otherwise agreed, HP will designate which system constitutes the Central Order Group based upon the criteria defined above. Except for certain designated mission critical environments, both the Central Order Group and add-on order groups (connected systems) must be of the same HP or non-HP product family and must collectively have the same Customer system manager.

C. SERVICE LIMITATIONS

1. Hardware, Software, SAN and Network Support. Any services involving hardware, software or network-related problems not covered by Support Services, will be subject to the applicable standard services rates for such products.

2. Maximum Use Limitations. For those products that have a maximum usage limit, such as a specified page limit, as set forth in the applicable Operating Manual, Technical Data Sheet, or Service Description, any such Products operated in excess of their maximum usage rate are not eligible for Support Services, but can be serviced at the applicable standard service rates for such products.

3. Interfaces and Accessories. HP may cover cables, connectors, accessories and interfaces under the same hardware service level purchased for the products with which they are used.

4. Supported Software Versions. Unless otherwise agreed by HP, HP provides HP Support Services only for the current and immediately preceding versions of HP software, and only when the software is used with hardware that is included in HP-specified configurations. A version is defined as a release of a software product that contains new features, enhancements, and maintenance updates. If support coverage lapses, additional fees may be required to resume support coverage. HP will support specified versions of selected non-HP software, but will not support the software any longer than the vendor supports it. For non-HP software, HP provides Support Services only for software versions that are documented as supported on specified configurations. HP will be under no obligation to provide Support Services should it be required due to alterations or modifications to code.

5. Non-HP Software. For non-HP Software, Support Services are limited, unless otherwise specified by HP, to telephone assistance, and if available to HP from the third-party software vendor or other appropriate provider, patches, workarounds, and updates.

6. HP Software on Non-HP Systems. Support Services for certain HP software products used with designated non-HP systems is limited to the support deliverables specified in the applicable Technical Data Sheet and/or Service Description. Customers must maintain HP-supported non-HP software at a code revision level specified by HP.

7. Network Software Coverage without Network Support. Support for HP network software that provides multivendor node connectivity is limited to product-usage and problem-solving assistance and software update materials, unless network support is purchased.

8. Travel Zones. Customer sites located beyond one hundred (100) miles (160 kilometers), with the exception of HP's mission critical Support Services offering, in which case for those sites located beyond fifty (50) miles, of a primary HP support office may be subject to travel charges, longer response times, reduced restoration or repair commitments, and reduced coverage hours.

9. Availability. Some Support Services features and coverage levels are subject to local availability.

10. Consumables, User Replaceable Parts, Maintenance Kits, and other Supplies. Support Services do not include the provision, return/replacement, or installation of supplies or other consumable items including but not limited to, accessories, operating supplies, magnetic media, print heads, ribbons, toner, and batteries.

11. Out of Coverage Hours. Customer requests for Support Services, or for HP installation and configuration services, that are scheduled after HP's locally defined, standard business hours may be subject to HP standard after hours service rates (unless Customer has specifically purchased the applicable after hours coverage for such Support Service).

D. CUSTOMER RESPONSIBILITIES

1. Product List. Customer will be responsible for the overall listing of hardware and software products under Support Services, including the accuracy of such listing, the location of the products, serial numbers, the HP-designated system handle(s), and their associated coverage levels, including any subsequent changes to such listing, as required, throughout the applicable Support Services coverage period.

2. Access. Customer must provide HP with the following:

   a. Access to the products covered under HP Upfront Services and HP System Support.

   b. Adequate working space and facilities within a reasonable distance of the products.

   c. Access to and use of all information, internal resources, and facilities determined necessary by HP to service the products.

   d. For the scheduled support level, Customer must designate a single work area acceptable to HP at Customer site. This area must include shelves or racks for incoming and outgoing products, adequate open bench workspace, adequate power and lighting, and access to a telephone. Before having a product serviced under the scheduled support level, Customer must:

      i. Maintain a written log of model number, serial number, and current failure symptoms and be prepared to provide this

information to HP upon request.

ii. Locate all failed units to be repaired during a scheduled visit at the designated work area before the HP Customer Engineer arrives.

iii. Call HP the workday before the day of the scheduled visit to provide information regarding the number and type of products requiring repair.

3. Operating Procedures. Customer must follow routine operating procedures as specified in the manufacturer's product operation manual(s).

4. Diagnostic/Maintenance Software (selected products). HP will require the use of certain hardware and/or software system and network diagnostic and maintenance programs (herein after referred to as “Proprietary Service Tools”), as well as certain diagnostic tools that may be included as part of the Customer's system,for delivery of Support Services under certain coverage levels. These Proprietary Service Tools which remain the sole and exclusive property of HP, are provided “as is,” and include, but are not limited to, remote fault management software, High Availability Observatory (“HAO”), Insight Manager, Instant Support (“IS”), and Instant Support Enterprise Edition (“ISEE”). Such tools may reside on the Customer's system(s) or site(s), and Customer may only use such tools for the purposes covered by HP's permission, and only during the term of the applicable Support Service coverage period. Customer may not sell, transfer, assign, pledge, or in any way encumber or convey these Proprietary Service Tools. Customer will also be required to:

   a. allow HP to keep such Proprietary Tools resident on Customer’s system(s) or site(s), and assist HP in running these Proprietary Service Tools,

   b. install, maintain, and support such Proprietary Service Tools, including any required updates and patches,

   c. use the electronic data transfer capability to inform HP of events identified by the software, and

   d. if required, purchase HP-specified modem and/or data sets for systems having remote diagnosis service. Upon termination of Support Services, Customer will return the Proprietary Service Tools and/or allow HP to remove these Proprietary Service Tools.

5. Revision Levels. Customer must maintain all associated system hardware and firmware at the latest HP-specified configuration and code revision level.

6. Telecommunication Charges. Customer is responsible for all telecommunication charges associated with using HP IT Resource Center and with installing and maintaining ISDN links and Internet connection, or HP-approved alternatives, to the HP Response Center, including as they relate to the HAO, or other Proprietary Service Tools.

7. Temporary Procedures. Customer is responsible for implementing temporary procedures or workarounds while permanent solutions are being sought.

E. SOFTWARE LICENSE AND COPYRIGHTS

1. Updates. Software updates or revisions furnished in connection with Support Services are subject to the license terms in effect for such Software on the date HP ships the update to the Customer. Any standard commercial software product furnished under such Support Services is subject to the standard commercial Software license terms applicable to the product.

2. HP Update Ownership. Customer acknowledges that it does not own and has no right to, title to, or interest in the updates except as set forth in the applicable HP Software License Terms.

3. Copyright and Trademark Notices. Customer agrees to reproduce and conspicuously affix copyright and trademark notices from the original software or documentation on each copy of an update that Customer makes or obtains from an electronic data source.

F. MULTIVENDOR NETWORK COVERAGE

1. Affiliates. HP has developed working relationships with select vendors, known as Affiliates, who assist in the delivery of multivendor support. For purposes of HP's appointment as a Special Agent during multivendor coverage, non-Affiliate refers to other vendors of products in Customer's network.

2. Performance of Affiliates and Non-Affiliates. HP is not liable for performance or non-performance of Affiliates and non-Affiliates, their products, or their support services.

3. Operational Network. HP must verify Customer's network as fully operational before Support Services, including LAN/WAN network, and Storage Network Environmental support coverage begins. This prerequisite is deemed met if Support Services coverage commences upon completion of HP's network configuration or assessment services. Otherwise, HP performs verification at the applicable standard service rates for such products.

4. Supported Connections. HP must agree upon all network connections and products covered under Support Services with network coverage.

5. Service Requests. Prior to or after placing a service request with HP, Customer will run HP or non-HP product or network diagnostic self-test programs, as appropriate. Customer must then contact the appropriate product vendor if a specific product is found to be at fault. Upon request from HP during a service call, Customer will enable the connection to HP via the network support tool if applicable.

6. Network Information. Customers without the HP network support tool installed must identify current product version numbers and system configuration information for all products on the network. Customer must notify HP when major topology changes occur on the network.

7. Non-HP Service Contracts. To take advantage of Support Services benefits, Customer must purchase service contracts from Affiliates and non-Affiliates that maintain appropriate support service levels for non-HP products.

G. MULTIVENDOR NETWORK/WARRANTY MAINTENANCE MANAGEMENT

Should Customer purchase Support Services that include multivendor network coverage and/or warranty maintenance management services that require HP to act as a special agent, additional terms and conditions will apply. Customer and HP will negotiate in good faith such mutually agreeable additional terms. HP will be under no obligation to act as Customer's special agent until such time as these additional terms are agreed upon and executed between the parties.

H. MISCELLANEOUS

1. Subcontractors. Notwithstanding anything to the contrary in HP's Sections, HP TERMS AND CONDITIONS OF SALE AND SERVICE or HP BUSINESS TERMS, HP reserves the right and Customer consents to HP's use of subcontractors to assist in the provision of Support Services as HP deems appropriate, without notice to Customer.

2. Replacement Parts. Replacement parts provided under Support Services may include new parts, equivalent to new parts, parts that are functionally equivalent or superior to the replaced part, or whole unit replacements. Replaced parts become the property of HP, unless otherwise agreed, and provided that Customer pays the applicable charge(s) associated for retaining such replaced part(s).

3. Attachments. For certain Support Services, Customer may be required to execute additional Attachments to this Section.

4. Order of Precedence. The order of precedence will be as follows: The HP TERMS AND CONDITIONS OF SALE AND SERVICE or HP BUSINESS TERMS, this Section, the Technical Data Sheet(s), and the Service Description(s). Notwithstanding any reference to Compaq Equipment Corporation U.S. Standard Terms and Conditions or Compaq Equipment U.S. Services Terms and Conditions, or Compaq Services Agreement, HP's Sections, HP TERMS AND CONDITIONS OF SALE AND SERVICE or HP BUSINESS TERMS will govern the provision of Support Services herein.

5. HP Product Warranty Upgrade for ninety (90) day on-site warranty or one (1) year "Return to HP" converted to ninety (90) day on-site warranty. If Customer purchases HP Upfront System Support Services or HP System Support Options for a HP hardware product that carries either a ninety (90) day on-site or a one (1) year return-to-HP warranty converted to ninety (90) day on-site warranty, and the associated Upfront System Support Services or System Support Option service level purchased by Customer does not provide a better service level than the base ninety (90) day warranty, the service level associated with the base warranty will apply for such ninety (90) days. Thereafter, the service level and response time will revert to those defined by the Upfront System Support Services or HP System Support Option purchased by the Customer. A one (1) year return-to-HP warranty must be converted to a ninety (90) day on-site warranty to qualify. Additionally, days of coverage and on-site response times can be upgraded for an additional charge during the warranty period for most hardware products.

6. Warranty Status of Non-HP Products. Irrespective of a particular non-HP product's warranty status, such Non-HP product(s) under Support Services will be serviced in accordance with this Section, and any applicable Attachments.

7. Cancellation. In the event any prepaid Support Services are canceled, Customer will receive a pro-rata refund only for the unused prepaid services, less any applicable early termination fees, if such fees apply as set forth in an executed addendum or attachment to this Section.

8. Financing. If Support Services are financed as part of an HP Financing Agreement, the HP Financing Agreement terms and conditions regarding cancellation will govern.

HP SOFTWARE LICENSE TERMS ADDENDUM

1. HP SOFTWARE LICENSE TERMS

A. DEFINITIONS

1. “License Fee” means the fee or fees designated by HP for Use of Software. Different License Fees may apply to particular Software if more than one Software License is available for that Software.

2. “Products” means hardware, Software, documentation, accessories, supplies, parts and upgrades that are determined by HP to be available from HP upon receipt of Customer’s order. “Custom Products” means Products modified, designed or manufactured to meet Customer requirements.

3. "Software" means one or more programs capable of operating on a controller, processor or other hardware Product ("Device") and related documentation. Software is either a separate Product, included with another Product ("Bundled Software"), or fixed in a Device and not removable in normal operation ("Firmware").

4. "Software License" means the Software license grant and general license terms set forth herein. Each Software License has a corresponding License Fee.

5. “Use” means storing, loading, installing, executing, or displaying Software on a Device.

B. LICENSE GRANT

1. In return for the License Fee, HP grants Customer a non-exclusive license to Use the object code version of the Software listed in Customer's order in conformance with:

   a. the terms set forth herein; and

   b. Use restrictions and authorizations for the Software specified by HP in its quotation, invoice or terms that accompany the Software; and

   c. HP's third party suppliers' terms that accompany the Software.

   In the event of a conflict, the third party suppliers' terms that accompany the Software will take precedence over the Use restrictions and authorizations specified by HP and the terms set forth herein, and the Use restrictions and authorizations specified by HP will take precedence over the terms set forth herein.

2. Unless otherwise specified, in return for the applicable License Fee, HP grants Customer a license to Use one copy of the Software on one Device at any one time.

3. Unless otherwise specified, all Software Licenses will be perpetual unless terminated or transferred in accordance with Sub-Section 1.C.7.

4. If Customer is an HP authorized reseller, Customer may sublicense the Software to an end-user for its Use or (if applicable) sublicense the Software to an HP authorized reseller for subsequent distribution to an end-user for its Use. These sublicenses must incorporate the terms of this Software License in a written sublicense agreement, which will be made available to HP upon request. If Customer is not an HP authorized reseller, Customer may not sublicense the Software unless otherwise agreed to by HP in writing.

C. GENERAL LICENSE TERMS

1. Software is owned and copyrighted by HP or by third party suppliers. Customer's Software License confers no title or ownership and is not a sale of any rights in the Software. Third party suppliers may protect their rights in the Software in the event of any infringement.

2. Unless otherwise permitted by HP, Customer may only make copies or adaptations of the Software for archival purposes or when copying or adaptation is an essential step in the authorized Use of the Software on a backup Device, provided that copies and adaptations are used in no other manner and provided further that the Use on the backup Device is discontinued when the original or replacement Device becomes operable.

3. Customer must reproduce all copyright notices in or on the original Software on all permitted copies or adaptations. Customer may not copy the Software onto any public or distributed network.

4. Bundled Software or Firmware provided to Customer may only be used when operating the associated Device in configurations as sold or subsequently upgraded by HP. Customer may transfer Firmware only upon transfer of the associated Device.

5. Updates, upgrades or other enhancements are available under HP Support agreements. HP reserves the right to require additional licenses and fees for Use of the Software on upgraded Devices.

6. Customer will not modify, disassemble or decompile the Software without HP's prior written consent. Where Customer has other rights under statute, Customer will provide HP with reasonably detailed information regarding any intended disassembly or decompilation. Customer will not decrypt the Software unless necessary for legitimate use of the Software.

7. Customer's Software License is transferable subject to HP's prior written authorization and payment to HP of any applicable fee(s). Upon transfer of the Software License, Customer will immediately deliver all copies of the Software to the transferee. The transferee must agree in writing to the terms of Customer's Software License. All Software License terms will be binding on involuntary transferees, notice of which is hereby given. Customer's Software License will automatically terminate upon transfer.

8. HP may terminate Customer's or any transferee's or sublicensee's Software License upon notice for failure to comply with any

applicable Software License terms. Immediately upon termination, the Software and all copies of the Software will be destroyed or returned to HP. Copies of the Software that are merged into adaptations, except for individual pieces of data in Customer's or transferee's or sublicensee's database, will be removed and destroyed or returned to HP. With HP's written consent, one copy of the Software may be retained subsequent to termination for archival purposes.

9. If the Software is licensed for use in the performance of a U.S. government prime contract or subcontract, Customer agrees that, consistent with FAR 12.211 and 12.212, commercial computer Software, computer Software documentation and technical data for commercial items are licensed under vendor's standard commercial license.

D. GENERAL

1. Customer may not assign any rights or obligations hereunder without prior written consent from HP.

2. Customer who exports, re-exports or imports HP licensed Products, technology or technical data purchased hereunder, assumes responsibility for complying with applicable laws and regulations and for obtaining required export and import authorizations. HP may suspend performance if Customer is in violation of any applicable laws or regulations.

3. Disputes arising in connection with this Agreement will be governed by the laws of the country and locality in which HP accepts the order.

4. If any term or provision herein is determined to be illegal or unenforceable, the validity or enforceability of the remainder of the terms or provisions herein will remain in full force and effect.

5. Except as specifically provided in Sub-Section 1.B.1.b, these HP Software License Terms supersede any previous communications, representations or agreements between the parties, whether oral or written, regarding transactions hereunder. Customer's additional or different terms and conditions will not apply. These HP Software License Terms may not be changed except by an amendment signed by an authorized representative of each party.

SPECIAL PRICING & PROMOTION TERMS

for HP's Resellers who buy Products and/or Services under HP's Partner Direct Reseller Purchase Agreement ("**Agreement**")**.**

Pursuant to Clauses 1.4(e) and (f) of the Agreement, the following terms and conditions (as updated and notified by HP from time to time) will apply to Programs ("**Program Conditions**") in addition to any applicable terms and conditions of the Agreement.

Part 1: Program Conditions for Special Pricing

1. Additional Definitions

In addition to the terms defined in the Agreement, the following terms have the following meanings:

"**End-user Validation**" means substantiation that Products subject to Special Pricing represent a valid requirement from a named End-user and were delivered by Reseller (or, if Reseller is a HP authorized distributor, Second-tier Reseller directly or via another reseller) to that named End-user at the location in the Territory identified in the HP Confirmation.

"**End-user**" means a customer who purchases Product from Reseller (or, if Reseller is a HP authorized distributor, Second-tier Reseller directly or via another reseller) for use within their own operation and business within the Territory, and not for resale or re-supply to another party.

"**Reseller**" means an HP authorized distributor or other reseller who, pursuant to the Agreement, purchases Product directly from HP for re-sale to (a) an End-user; or (b) if Reseller is a HP authorized distributor, a Second-tier reseller for re-supply (directly or indirectly) to an End-user.

"**FIFO**" means a method of inventory accounting in which the oldest remaining items are assumed to have been the first sold ("first in, first out").

"**HP Confirmation**" (also known as "**Quote**" or "**Eclipse Quote**") refers to any notification issued by HP detailing a specific End-user transaction for which HP grants Special Pricing.

"**notify**", "**notification**", "**update**", "**replace**" and similar concepts, are achieved by methods including by information sent through email communication or loaded onto the HP Partner Portal generally or under the Reseller's profile.

"**Programs**" means an HP channel partner program in respect of which Reseller may be eligible to participate subject to fulfilling the applicable participation criteria and may include:
(a) HP Channel Compensation Program;
(b) HP Special Pricing;
(c) HP Promotions and Rebate Programs; and
(d) other programs (as notified by HP).

"**Second-tier Reseller**" means a purchaser of Products (directly or via another or other resellers) from Reseller who then re-supplies those Products to: (a) an End-user; or (b) if that purchaser is a sub-distributor, to another reseller for re-supply (directly or indirectly via another or other resellers) to an End-user.

"**Special Pricing**" means an additional discount or rebate or a net reseller buy price below HP's usual Net Reseller Price offered to Reseller for a specific End-user transaction and identified in a HP Confirmation.

"**sell**" and "**resell**" and similar concepts include other forms of supply and re-supply including without limitation, by way of exchange, lease, hire, hire-purchase, loan, licence or through an outsourcing, data processing, facilities management or other services relationship.

2. Special Pricing

2.1 These Program Conditions (as amended by HP from time to time) apply to all Special Pricing granted by HP to Reseller.

2.2 Reseller must ensure each request for Special Pricing contains complete and accurate information about the proposed End-user transaction. This will include identification of the proposed Products and quantity, any proposed Second-tier Reseller(s) (and if any such proposed Second-tier Reseller(s) are sub-distributors, then their proposed resellers), the identification, location and contact details for the proposed End-user and confirmation that the Products are to be used by the End-user only within the Territory.

2.3 Each request for Special Pricing will be considered by HP, and may be accepted or rejected in whole or in part at HP's complete discretion.

2.4 Special Pricing may be in the form of an upfront discount, a rebate or a combination of upfront discount and rebate as determined by HP. Reseller must submit all claims for any Special Pricing which includes a rebate and related documentation to HP within the validity period for submitting such claims or if none is specified then within 31 days from the end date of the validity

period for the Special Pricing.

2.5 HP reserves the right to set minimum and maximum volume thresholds for Special Pricing and may change its minimum and maximum volume thresholds at any time. HP also reserves the right at any time to specify, and (upon notification to Reseller) change, a validity period for the time in which Products subject to Special Pricing must be delivered to the End-user (that is, delivery begin and delivery end dates).

2.6 HP Confirmation of Special Pricing will be notified to Reseller and may contain the following information (to the extent applicable):

- Deal number (or Eclipse Quote number)

- Name of the Reseller granted the Special Pricing

- Name of the Second-tier Reseller(s) eligible for the Special Pricing (if applicable for a specific End-user transaction)

- Name of the End-user (if specific End-user transaction)

- Validity period: deal begin and deal end dates. Reseller must ensure that its order date is within the validity period, and that HP receives Reseller's order on or before the deal end date. HP may also specify delivery begin and delivery end dates in that HP Confirmation or subsequently by notifying Reseller

- Product Offer (HP products, HP product hierarchy or bundled products eligible for Special Pricing)

- Maximum and minimum quantity or an estimated quantity of Products and/or products authorized (for the whole Special Pricing)

- and

- Discount mode (upfront, rebate, or other).

Further details may be contained in HP's quotation and HP Confirmation to Reseller.

Reseller may determine the amount of Special Pricing granted by HP by referring to the HP Confirmation offering amount and offer type, and HP's list price.

Any specific terms and conditions relating to how much of the Special Pricing must be passed-through will also be stated in the HP Confirmation.

2.7 HP limits "Stacking" of programs. Special Pricing Program discounts may not be claimed in combination with any other HP program, promotional rebate, special negotiated discount, or rebate based on sell-through or sales-out data, unless otherwise specifically stipulated in the HP Confirmation.

2.8 Special Pricing is only valid for the transaction identified in the HP Confirmation. Accordingly, Special Pricing identified in a HP Confirmation (and any other payment or benefits provided by HP) should be repaid by Reseller to HP (if it was in the nature of a rebate) or an amount equal to the discount or other payment or benefit provided by HP to the Reseller should be paid by the Reseller to HP where, for example, the Products are not supplied, different Products and/or products are supplied, the Reseller, Second-tier Reseller(s) or End-user details are not correct, or the Products are not supplied for use within End-user's own operation and business within the Territory.

2.9 HP reserves the right to, and Reseller agrees HP may, validate independently, including by contacting the named End-user, that the transaction identified in the HP Confirmation was completed in accordance with the details specified in the HP Confirmation. Reseller will, and will ensure that its Second-tier Reseller(s) will, comply with the End-user Validation process set out in Clause 3 of Part 1 of the Program Conditions. Reseller must, and will ensure that its Second-tier Reseller(s) will, notify End-users that HP may contact the End-users directly to confirm their actual purchases.

2.10 HP reserves the right to change or terminate HP Confirmations at any time subject to notification. Any change or termination shall not apply to orders accepted by Reseller prior to HP's notification provided they adhere to these Program Conditions.

2.11 In the event that HP issues more than one HP Confirmation for the same transaction during a given period, the terms of the latest HP Confirmation will prevail over those of the previous HP Confirmation.

2.12 Where, in respect of Special Pricing for an End-user transaction, multiple Second-tier Resellers have been approved to participate in the Special Pricing, Reseller will inform HP of each Second-tier Reseller from whom that End-user will be purchasing Products subject to the Special Pricing. Similarly, where, in respect of Special Pricing for an End-user transaction,

multiple Second-tier Resellers participate in the resale of the Products to the End-user (for example, due to sub-distribution arrangements), Reseller will inform HP of each Second-tier Reseller involved in such resale.

2.13 HP will apply Special Pricing granted in the form of upfront discounts to Reseller's orders placed under the Agreement on the condition that:

(a) Reseller's orders specify the correct and valid Eclipse Quote;
(b) any maximum Product quantities or amounts stated in the HP Confirmation have not been exceeded;
(c) any minimum Product quantities or amounts stated in the HP Confirmation have been met;
(d) Reseller's orders are within the validity period of the HP Confirmation;
(e) the Products were purchased directly from HP and re-sold within the validity period to the End-user (or if Reseller is a HP authorized distributor, to the Second-tier Reseller and re-sold by it within the validity period either directly or indirectly to the End-user) in accordance with the HP Confirmation; and
(f) all Program Conditions apply.

2.14 Unless otherwise set out in a HP Confirmation, Products sold with Special Pricing for identified End-user transactions qualify for HP's pay for results or other such compensation programs.

3. End-user Validation

3.1 Reseller agrees to promptly provide HP, at HP's request (and in the format (if any) requested by HP), the following information and documentation in order to enable HP to perform End-user Validation, validate adherence to the Program Conditions or for the purposes of product safety notification:

(a) if Reseller is a HP authorized distributor, a copy of Second-tier Reseller's purchase order to Reseller, or a copy of Reseller's invoice to Second-tier Reseller;
(b) if Reseller is not a HP authorized distributor, a copy of the End-user's purchase order to Reseller and the invoice to the End-user;
(c) proof of delivery of Products to the Second-tier Reseller (if applicable) and End-user in the form of a signed proof of delivery (POD), invoices, payment transactions or other documents that substantiate that the Products subject to Special Pricing were delivered, including the HP product numbers, serial numbers, quantities delivered, End-user name, End-user address, and document date;
(d) if Reseller is a HP authorized distributor, Reseller is and remains responsible for ensuring End-user documentation is available (even if it has to be obtained through one or more Second-tier Resellers) and Reseller agrees to provide it to HP upon request; and
(e) a copy of any other documentation requested by HP in order to validate the Product movement and actual current location of the Product and use.

3.2 All documentation and information must be given to HP within the time frame stipulated in HP's request.

3.3 Without limiting any other provision in the Program Conditions, HP may use other HP affiliates and/or third parties to act on its behalf in relation to matters applicable to this Clause 3, and Reseller will interact with such affiliates and third parties as though they are HP.

4. Non-Compliance

4.1 If Reseller fails to comply with the Program Conditions or with the information identified in any HP Confirmation or Reseller fails to provide information or documentation when requested by HP, HP reserves the right to:

(a) terminate any then existing HP Confirmations;
(b) claim from Reseller, and Reseller agrees to pay, the amount of any Special Pricing or any other form of payment or benefit granted by HP in respect of any and all End-user transaction(s) that have not been completed in accordance with the details specified in the applicable HP Confirmation;
(c) exclude Reseller (and/or its Second-tier Resellers) from HP's Special Pricing and/or Promotion programs;
(d) exclude Reseller (and/or its Second-tier Resellers) from HP channel compensation programs;
(e) exclude Reseller (and/or its Second-tier Resellers) from other HP channel programs;
(f) offset any amounts owing to HP under the Program Conditions against any other agreement between the parties, including but not limited to, any HP accrued Reseller funds such as channel health;
(g) terminate Agreement; and
(h) take other legal action to recover damages.

4.2 HP will use the FIFO operating process to evaluate Reseller and Second-tier Reseller claims. All validations of claims will be based on FIFO, unless Reseller or Second-tier Reseller can satisfy HP that its current operating process is equal to FIFO.

5. Changes

5.1 HP reserves the right to change the Special Pricing and Program Conditions at any time without notice. By taking up the Special Pricing or participating in the Program Conditions, Reseller is deemed to accept these terms and any other terms specified in the individual programs.

6. Record-Keeping and Audit

6.1 Except as expressly set out below; Clause 1.19 of the Agreement will also apply to Programs.

6.2 Reseller will create and maintain Records relating to each Product covered by a Program. Where HP has granted Special Pricing to Reseller for particular End-user transactions, Records will also include a complete list of Products (by product number and serial number) sold to the Second-tier Reseller (if applicable) and that End-user together with proof of delivery of those Products to the Second-tier Reseller (if applicable) and that End-user.

6.3 HP may request, and Reseller will provide, information and documentation from the Records in order for HP to verify compliance with the Program Conditions. Without in any way limiting Clause 1.19 of the Agreement, HP may require Reseller to submit serial numbers via Sell Through reporting tools or HP may send a list of product numbers for Products covered by a Program (with an eclipse or other Program identification code) and Reseller will provide HP with the Records, information and documentation requested by HP (in the format (if any) requested by HP) which relates to those Products such as serial numbers, Second-tier Reseller (if applicable) and End-user details.

6.4 Reseller will bear its own costs of record-keeping and audit (including costs of third parties engaged by it).

6.6 Without limiting any other provision in these Program Conditions, HP may use other HP affiliates and/or third parties to act on its behalf in relation to matters applicable to this Clause 6 and these Special Pricing & Promotion Terms, and Reseller will interact with such affiliates and third parties as though they are HP. Further record-keeping and audit requirements may be required (and therefore notified) by HP from time to time. Also, additional record-keeping and audit requirements for a Program may be contained in individual Program Conditions.

7. Confidentiality

7.1 Reseller understands and accepts that if it is a HP authorized distributor HP will communicate to each of its Second-tier Resellers the amount of Special Pricing granted by HP in relation to (and other details in the HP Confirmation or applicable to) any End-user transactions in which such Second-tier Resellers participate.

Part 2: Program Conditions for HP Promotions and Rebate Programs

1. Program Conditions for HP Promotions and Rebate Programs will be notified by HP from time to time. Unless otherwise provided in the Program Conditions, the following Conditions relating to the Promotion Rebate claiming process will also apply.

2. Promotions granted by HP in the form of rebates will be paid to Reseller as a credit, telegraphic transfer or a cheque. The actual payment method will be determined by HP.

3. HP will accept Promotion rebate claims on the condition that:
   (a) the Products were purchased directly from HP and re-sold to the End-user or if Reseller is a HP authorized distributor, the Second-tier Reseller;
   (b) the Products were not part of another Program or cumulated with Special Pricing conditions from other discounts or rebates (unless stated otherwise in the Program Conditions or other documentation);
   (c) the rebate is addressed to HP, being the local HP entity that sold the Products to Reseller;
   (d) the rebate claim specifies the most recent version of the Promotion available at the sell-out date to the Reseller or End-user;
   (e) any maximum Product quantities or dollar amounts stated in the Promotion have not been exceeded;
   (f) all Program Conditions apply;
   (g) Reseller's orders are within the validity period of the Promotion;
   (h) the Product was delivered by Reseller (or if Reseller is a HP authorized distributor, the Second-tier Reseller) to the End-user within the validity period of the Promotion;
   (i) Reseller (and if applicable its Second-tier Reseller) submits all claims and related documentation to HP within the validity period for submitting claims or if none is specified then within 31 days from the Promotion end date.

4. Products ordered upfront for identified End-user transactions are not eligible for any stock protection for price decreases, unless otherwise specifically stipulated by HP.

5. Unless otherwise provided in the Program Conditions, Clause 1.19 of the Agreement and Clause 6 of Part 1 of the Program Conditions (to the extent relevant) will govern record-keeping and audit of this Part 2 of the Program Conditions.

Part 3: Program Conditions for HP Global Deals

1. Where Reseller is eligible to participate in a global deal for a proposed End-user transaction, the applicable Program Conditions will be notified by HP from time to time.

2. Unless otherwise provided in the Program Conditions, Clause 1.19 of the Agreement and Clause 6 of Part 1 of the Program Conditions (to the extent relevant) will govern record-keeping and audit for HP global deals.

TRADE REQUIREMENTS FOR BUSINESS PARTNERS – EXPORT COMPLIANCE ADDENDUM.

Dear Partner

The U.S. Government and the Governments of other exporting countries are concerned with measures taken by exporters and re-exporters to prevent and detect illegal re-exports and diversions of U.S. technology. Particular areas of concern are:

- Denied and Sanctioned Parties
- Nuclear, Missile Technology & Chemical/Biological Weapons Proliferation users/uses
- Embargoes and Trade Sanctions
- Diversion risks (Illegal Re-exports)
- Trade Boycott Requests
- Re-exports

HEWLETT-PACKARD requires you to establish and maintain auditable procedures to screen customer orders for the above areas. Suitable control points depending on your organization may be at the order quotation and order entry stages prior to delivery of products and services to customers; and during contract reviews.

If you have reason to know or suspect that products/services transactions will involve any type of “denied” or “sanctioned” parties, weapons proliferation activities, diversion risk and/or trade boycott requests we require you to seek professional advice from your legal counsel, your local government respectively the U.S. Department of Commerce before entering into contractual commitments and fulfilling the order.

More specific guidance and other tools for meeting these obligations can be found in the U.S. Department of Commerce's "Export Management Systems" guidelines, which are available on the Internet at:

http://www.bis.doc.gov/complianceandenforcement/exportmanagementsystems.htm

In addition, you can obtain free copies of the most important U.S. Government sanctioned parties lists on the Internet at:

http://www.bis.doc.gov/complianceandenforcement/liststocheck.htm

For inquires concerning U.S. export controls, please contact your U.S. Embassy or Consulate or directly to the:

U.S. Department of Commerce
Exporter Counseling Division
14th and Constitution Avenue, N.W.
Washington, D.C. 20230
phone: (202) 482-4811
fax : (202) 482-3617

For inquiries concerning local export controls, please contact your national Export authorities and Customs office.

Denied Parties

The names of companies, firms, or individuals, suspected of or found to have violated U.S. export laws are published by the U.S. Government, in the "Denied Persons List (DPL)"; the "List of Specially Designated nationals and Blocked Persons"; the "Entity List" and the "Debarred Parties List". The lists can be accessed via the Department of Commerce's Internet page.

Products and services may not be provided, directly or indirectly, to those parties, wherever they happen to be located. The U.S. Government may impose sanctions on companies, firms, or individuals selling U.S. high technology, providing services or transferring technical information/data to such parties. Sanctions could include an embargo on further purchase or service from Hewlett-Packard corporation. The embargo would extend to all high technology products of U.S. origin regardless of the manufacturer.

Nuclear and Missile Technology and Chemical / Biological Weapons Proliferation

The United States and many other Governments have signed agreements to prevent the research, design, production, and proliferation of weapons of mass destruction, including weapons connected with nuclear, chemical and biological warfare, and the missiles used to deliver them. Civil, missile, space, nuclear, chemical and biological entities might be partially involved in such activities.

The U.S. Department of Commerce has developed questionnaires to help
exporters and their customers to determine if end-users are engaged in nuclear, missile, or chemical-biological warfare activities. The questionnaires are available on the Department of Commerce's Internet page.

Other, non-U.S. export regulations place additional restrictions on conventional military and paramilitary end-use/end-users in certain countries that may also be subject to export licenses.

Embargoes

There are certain countries which are considered embargoed both by the U.S. Government and many other governments. For an up to date listing and advice please contact your local U.S. embassy and local authorities.

Diversion Risks (Illegal Re-exports)

Internationally there is a very real danger that some countries, companies, firms or individuals will attempt to acquire U.S. technology by illegal means, i.e. diversion. Diversion situations can concern e.g. sensitive end-use, UN and US embargoed destinations or any (re)-export without appropriate export authorizations.

Potential indicators can be

- Customer is hardly known in commercial circles
- Customer does not wish installation or maintenance;
- Customer is reluctant to disclose end-use information;
- Customer asks for unusual payment terms/currencies;
- Packaging, delivery routing not very common;
- Equipment ordered is incompatible with customer’s line of business;
- Customer has an inappropriate facility for products ordered;
- Purchase parts/accessories for which customer has no legitimate need or end-use;
- Customer is suspected to have “deals” with embargoed parties/destinations

The U.S. and other governments have developed lists of "diversion risk indicators" to help identify potential risk. The U.S. Department of Commerce has published such a list in the "Export Management Systems" guidelines on the Internet.

Trade Boycott Requests

U.S. and other national laws prohibit participation, directly or indirectly, in trade economic boycotts. A trade or economic boycott is a program under which a country (or group of countries) refuses to do business with another country, its companies, or citizens in an attempt to damage the economy of that other country. Boycott requests usually arise out of racial, religious or cultural hostilities.

Boycott requests may be contained in customer order documentation, contracts, invoices, shipping documentation, terms and conditions, and letters of credits, etc. Guidelines for identifying and handling boycott requests can be found in the Department of Commerce’s Anti-boycott guidelines on the Internet.

Transfer of Technology and Technical Assistance

The term “Export” does not only apply to the transfer of actual products but also to the transfer of technology. The transfer of technology and technical assistance within country or abroad may be controlled under the U.S. and/or other government export regulations. This includes e.g. the transmission of software or technology by electronic media, fax, telephone or any other means.

Re-exports after Delivery

Exporters are obliged to check what authorization is required from their Ministry responsible for foreign trade or Customs office. In addition they need to check if a re-export authorization is required from the U.S. Government (contact the U.S. Department of Commerce).

This applies equally to complete systems, parts of a system, peripherals, parts or components, software and technical data.

The type of export/re-export authorization needed depends on:

on the performance level of the goods,
the country of ultimate destination,
the end-use of the goods.

Deliveries within Country

Deliveries within a country can require individual (re-)export licenses from the U.S. and/or other exporting country governments, if the delivery exceeds the technology level for that country. This includes reconfiguring or upgrading an existing computer system to enhance its performance level above the authorized export technology limits.

Companies should check with their suppliers and the U.S. Department of Commerce if or what government authorization is required in such instances.

General Comments

No local laws or other authorizations exempt a company, firm, or individual from the requirement to obtain a re-export license from the U.S. Government to re-export any U.S. origin technology and products.

Similarly, U.S. re-export approval does not provide exemption from complying with exporting countries' and local export laws.

Records of all exports/re-exports must be retained.

Disclaimer:

Exporters/Partner are responsible for their compliance with export laws and regulations. HP has tried to provide accurate, complete and up-to-date information within this document; however, HP may not be held responsible for the accuracy or completeness of this information. We advise you to consult your legal counsel, your local authorities and/or the U.S. Department of Commerce to ensure compliance with U.S. and local laws.

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